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ABSTRACT

This study analyzes private sector training programs that benefit economically disadvantaged (CETA-eligible) persons. Information on ten private sector training programs in seven states (Iowa, Florida, Maryland, California, Kansas, Mississippi, and New York) collected from a mailed eleven-page questionnaire, a follow-up telephone interview, and pertinent project documents is provided. The ten case studies are presented alphabetically. Each contains a brief outline including program title, name of operating organization, contact persons, prime sponsor data, program identifiers, budget data, organizational data and background information, primary information (why and how), unique features of the program, major goals and objectives, program description, negative aspects of the program, positive aspects of the program, and model implementation hints. Focus is on the feasibility of replication, the unique aspects of the program, and improvements that increased the program's success. Fourteen factors that determined the public sector's success in encouraging private sector participation in employment and training efforts and eight steps by which the private sector component can increase the likelihood of successful implementation of employment and training programs are identified. Implications for employment and training personnel are outlined, and suggestions for increased private sector involvement are provided. (MN)

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PRIVATE SECTOR TRAINING OF THE ECONOMICALLY DISADVANTAGED KEY ELEMENTS OF SUCCESS

Mark Keppler
Chapters I, III, IV, V
and VI
Mike Juelich
Chapter II

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In particular we would like to thank the staff members of the Prime Sponsors, Private Employers, Union Officials, Local Education Agencies, and Community Based Organizations who helped us identify the elements of successful programs. Their cooperation and willingness to share the success of their programs are the foundation of this report.

Finally, we thank W. Lee Hansen, Employment and Training Institute Co-Director, for his advice, assistance, and encouragement throughout the project.

EMPLOYMENT AND TRAINING INSTITUTE STAFF

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Overview

Private Sector Training of the Economically Disadvantaged

Key Elements of Success

This report was commissioned by the Governor's Employment and Training Office (GETO) of the State of Wisconsin. The purpose of this report was to complete a time limited three-month investigation on private sector programs for economically disadvantaged persons (CETA eligible) that have been successful in the hiring and retaining of these people. The plan was to analyze those programs outside Wisconsin with the greatest potential for replication in this state.

Ten private sector training programs that benefit the disadvantaged were examined. Those characteristics worthy of replication were identified so as to increase the potential success of similar private sector programs in Wisconsin. Thus, this study provides information that will assist CETA prime sponsors in the following areas: (1) developing CETA policies that encourage private sector training of the hard-core unemployed; (2) increasing the likelihood of private sector organizations undertaking successful training programs for the disadvantaged by providing examples of successful implementation; and (3) shifting the allocation of expenditures of CETA training funds to private sector training programs so as to enhance the diversity of training supplied in the state (an option to vocational and technical schooling). Finally, this report is based on materials gathered from a mailed questionnaire, program information bulletins, monographs, and phone conversations. The ten case studies were located in the following cities: Des Moines, Iowa (2 cases); Winter Park, Florida; Upper Marlboro, Maryland; San Diego, California; Wichita, Kansas; Louisville, Mississippi; East Aurora, New York; Utica, New York; and Fort Lauderdale, Florida.

The conclusions of this study were supported by information obtained through a review of the relevant literature as well as contacts made with various administrators involved in private sector training programs throughout the country.

The report is organized into the following sections: (a) Table of Contents, (b) Executive Summary, (c) Chapter I--Methodology, (d) Chapter II --Historical Analysis of Employment and Training Programs, (e) Chapter III-- Private Sector Involvement in the Manpower Development Area, (f) Chapter IV --Case Studies (a brief narrative description and evaluation of each program divided by skills), (g) Chapter V--Recommendations for Private Sector Involvement in Wisconsin, and (h) Chapter VI--Employment and Training Institute Questionnaire.

This report was completed by employees of the Employment and Training Institute of the University of Wisconsin-Extension. The Institute, created as a coordinating vehicle of university programming in the manpower training and human resource development fields, originates and coordinates research, training, technical assistance and demonstration projects.

The opinions of this report are not necessarily those of GETO and are the sole responsibility of the authors.

Additional copies of this report may be obtained by writing to the above address.

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CHAPTER I

METHODOLOGY

A. Objective of the Study

The purpose of this study is to identify and analyze ten successful private sector training programs designed for the structurally unemployed. Since "success" is open to broad interpretation, we decided that the ten selected "success" stories would have to meet at least five criteria. First, the program would have to benefit CETA eligible persons. In this way we could be sure that the historically hard-core unemployables (AFDC clients, minorities, ex-offenders, youth, etc.) would be the beneficiaries of future Title VII allocations. Second, a retention "cutoff" rate of 70% was established based on findings of previous manpower development programs such as MDTA. Third, the job for which the person was being trained must have an upgrade component. This was to ensure that the trainee would be rewarded for his or her diligence during the program with future benefits. Fourth, a "hire first" or preferential hiring commitment was required to forestall the problem of "subsidy seeking" employers. In addition, it was felt that if the trainee had completed a meaningful training program, the employers would not feel hesitant about making this commitment. Fifth and finally, those programs that could provide clear descriptions of their establishment, ongoing operation and unique characteristics (key elements of success) were selected. This criterion was used because the potential for successful duplication is enhanced if readers know what the program was, how it was carried out, and as many variables as possible were taken into account.

This study, then, is an attempt to identify those elements that have been crucial in the development and successful implementation and operation of private sector training programs of the structurally unemployed. In addition, the financial, operational, and background factors, as well as participant (both trainee and employer) characteristics, were analyzed and, where appropriate, highlighted. Thus, it is hoped that this report produces evidence that would bolster the attractiveness of CETA-sponsored training programs to private sector employers. (It should be noted that: (1) this report has been limited to case studies outside the state of Wisconsin in order to benefit from experiences and approaches somewhat different from our own, and (2) this study was commissioned in May 1980 with the understanding that its findings would be submitted to GETA by September 31, 1980.)

B. Initial Analysis and Collection of Data

The selection of programs for examination in this report was an evolutionary one. It was initiated with a review of the literature on past and present programs that select, train, and hire economically disadvantaged individuals. From this preliminary list those programs that incorporated the previously stated "characteristics of success" were singled out and examined more closely. The final selection was based on those projects which (1) most effectively met the above criteria for "success," (2) indicated the greatest potential for successful duplication, and (3) were the most finely delineated, in a qualitative sense.

Since it was evident that the information desired could only be obtained through consultation with the pertinent data collection agencies in the public and private areas, a list was compiled of possible contacts. Those eventually chosen included the National Alliance of Business (NAB), National Association of Counties, National Governors' Association, Human Resource Development Institute/AFL-CIO, Building Trades Councils/AFL-CIO, National Association of Manufacturers, Ohio State and University of Wisconsin Vocational Education Centers, Private Sector Improvement Program (PSIP) Clearinghouse, as well as various prime sponsors, state labor officers, professionals, academics, and practitioners in the employment and training field.

Although it was originally planned that the primary information gathered for the case studies would be obtained during on-site visits, budget constraints made it impossible to travel to the sites. Hence, this report is based on (1) a mailed 11-page questionnaire (pp. 103-113), (2) a follow-up telephone interview, and (3) pertinent project documents. There were a number of reasons for adopting this approach. First, the questionnaire was used because it presented a uniform stimulus to all of the study's subjects, allowed greater participant anonymity, could be tailored to the needs of the study, was an inexpensive mode of data collection, and allowed greater participant clarifications of observations through the use of a "comments" section (it was hoped that this would make the report more flexible). Second, though there is a problem concerning response rates when using a mailed questionnaire, the use of follow-up telephone calls ensured that our collection of data would be as complete as possible. Third, the use of pertinent program documents enabled us to supplement the information gathered from the questionnaire. Thus, given the time and monetary constraints under which the report was produced, we believed that this would be the most effective way to ascertain the information we were seeking.

During the first month of the study contacts were made with the various public and private organizations mentioned above that served as clearinghouses for information on employment and training programs. From these focal points of information, names of contacts and information on specific programs were obtained. Inasmuch as these contacts could give us additional information on initial assessments of the programs, they were contacted.

As already noted, the initial contacts with the information clearinghouses led to contacts with various programs and their administrators. The number of programs initially examined was approximately 80. From this beginning, additional information was obtained so as to narrow our focus and at the same time increase our data base on specific programs. Most of the abstracts that were acquired through prime sponsors, state labor departments, and other central distribution agencies supplied us with information on the current status of programs, their unique features, enrollment figures, costs, dates of operation, and goals.

The letters sent to employment and training offices in each state requesting data on successful programs involving the private sector did not produce the wealth of information that we hoped they would. This is illustrated by the fact that only nine states responded with actual program descriptions and/or contact persons. As our communication with these agencies indicates, the problem is most likely due to the fact that many states are just beginning to evaluate their demonstration projects that provide private sector training.

Although a number of people (prime sponsors, private employers, union officials, etc.) contacted were interested in the study, none knew of similar projects that identified the elements of successful programs. Again, this may be due to the "newness" of the 1978 legislation. Thus, though time limited our exploring all possible contacts, the report contains a well-researched overview of current programs that have relevance to Wisconsin's present economic situation and its desire to expand programming in this area.

C. The Selection Process

The collection of approximately 80 descriptions of employment and training programs in the private sector was completed by July 15, 1980. As noted earlier, the selection of exemplary programs was grounded on five criteria: (1) aimed at CETA eligible persons, (2) a retention rate of at least 70%, (3) an upgrade component, (4) a "hire first" or preferential hiring commitment from the employer, and (5) a clear description of its establishment, ongoing operation and unique characteristics. These criteria were developed on the basis of meetings with GETO, the Employment and Training Institute of the University of Wisconsin-Extension personnel, as well as through extensive initial research in the field.

The initial research indicated that many of the programs were either closely connected with PSIP or benefited CETA clientele in only a peripheral way. Most programs did include jobs that developed skills of an industry-specific type (therefore marketable), a OJT-classroom format, company supplied instruction, and a wage rate considered high relative to similar entry level positions in the immediate geographic area. After reducing the initial 80 programs through a screening process, each remaining program was reviewed in the context of recommendations made by the contacts identified in the initial inquiries. If a program met the criteria established for a successful program, it was then selected as a potential exemplary project.

Meanwhile, an ongoing survey of the literature revealed the standards that characterized successful programs. These standards were gathered from past experience with MDTA in the 1960s as well as other early attempts at employment and training of the disadvantaged by the private sector. It should be noted, as it was earlier, that 60-70% was consistently cited during these early years as a "successful" retention rate. Considering the present economic situation in comparison to the economic vitality of the 1960s, to meet or exceed these figures is quite an accomplishment. The review of the literature was an ongoing process that continued through all phases of the study, and took account of the need to explore new questions and issues that arose as the study progressed. (A complete listing of the literature reviewed is found at the end of Chapters II and III.)

D. The Questionnaire

During the identification and selection process, attention was also focused on the development of a survey instrument which would be used in studying each of the exemplary programs during the on-site visits that were to occur. During the months of June and July, development of the survey was focused on seven major categories of program data common to each of the visitation sites and areas of concentration detailed in the previous sections. The previous phases of the project--conversations with personnel, employment and training officials, checking of employment and training program descriptions, and the review of the literature--helped shape the questionnaire.

The first portion of the survey was to obtain data on the prime sponsor. It included such information as program type, service area, labor market activity, unemployment rate, percentage of minorities and community population. The answers to these questions provided the environmental background or context for the program.

The second section of the survey was designed to identify the scope and duration of the program. In this section data were requested about the size of grant, number of program participants, completion date, months of scheduled program operation, hire commitments of employers, oversight committee functions, and whether any support services were offered. This information was requested so we could begin to define the "animal" we were working with. Again, the information gathered would give us additional information on the environmental background of the program.

The third portion of the study focused on the financing of the program. Entitled "Budget Data," this section supplied information on amount spent on basic training and upgrading, as well as a breakdown of the funding into the areas of administration, allowances, wages, fringes, training, and services. In addition, the source of funding for each program was to be identified so as to be able to inform Wisconsin employers where possible sources of revenue could be obtained.

The fourth section of the questionnaire dealt with organizational data and background information. The inquiries in this section focused on the firm's familiarity with the various employment and training programs (TJTC, WIN, STIP, Title VII, etc.) available to private sector employers.

The fifth part of the questionnaire was probably the most important in relation to the study's objectives. The emphasis of this section was on why the employer chose to participate in a government sponsored employment and training program. The questions in this section elicited information on the timeliness of the decision, reason this particular method was used to meet the firm's personnel needs, factors that generated or inhibited their participation, and steps of implementation. Thus, it was hoped that this section would shed some light on employer motivations in this regard.

The sixth section was devoted to both the (1) demographic characteristics and (2) employability of the participants. Thus, information was obtained on education, age, program targets as well as retention rate, and placement experience.

Finally, the seventh section of the questionnaire dealt with training arrangements and design. Such questions as type and location of training, who trains and assesses participants as well as overall employer involvement in the program were asked. It also included a series of general program questions on the various successes and failures of the program.

Each section of the questionnaire requested data that would bear on the feasibility of replication, the unique aspects of the program, and improvements that were made that increased the success of the program.

The questionnaires were to be used during the on-site visits. Because of the constraints mentioned earlier and the fact that the survey instrument was most comprehensive in length and detail (11 pages and 74 questions), it proved to be too much for the respondents. In addition, the quality of the underlying data varied by program and agency and was complicated by a reticence of some officials to release detailed budget and enrollment statistics. Thus, though the survey instrument assured us uniformity of coverage, it was limited because it could not be administered in a face-to-face interview where the program's various elements could be more closely analyzed.

CHAPTER II

HISTORICAL DESCRIPTION AND ANALYSIS OF EMPLOYMENT AND TRAINING PROGRAMS

A. General Introduction

The creation of the Private Sector Initiatives Program (PSIP) in 1978, Title VII under the 1973 Comprehensive Employment and Training Act (CETA), and the inclusion of the Targeted Jobs Tax Credit (TJTC) in the 1978 Revenue Act, marked the renewal of private sector involvement in federal employment and training programs. While private sector participation was never wholly discontinued, the creation of CETA in 1973 marked a shift toward decentralized public service employment (PSE) programs. PSE programs under CETA were utilized for both counterstructural training (Title II) and countercyclical training (Title VI). Thus, federal contracts designed for private sector manpower development programs were heavily curtailed.

By the 1970s a notion persisted that private sector institutions were less interested in and willing to aid the nation's economically disadvantaged, unemployed, and underemployed. If the private sector was moderately interested in hiring these individuals, it was assumed only after the public sector had adequately trained them and assumed other cost related burdens (e.g., screening, remedial education, and placement costs). But, as the advantages of training in the private sector were recognized, PSIP and TJTC were created to make use of private sector resources and facilities. Of course, speculation abounded about the successes and failures that might befall private sector ventures in employment and training programs. Unfortunately, most speculators assumed that only the future would reject or support their assertions.

On the contrary, PSIP and TJTC did not represent the private sector's first venture into the realm of federal employment and training programs. In the early 1960s it was realized that the superior intake and screening procedures used in the private sector would probably result in fewer mismatches between participants and programs. Private sector institutions could probably more accurately measure labor demand and prove to be less susceptible to pressure group influence. And with applicable training and superior training facilities, it was less likely that high attrition rates, poor placement results, and wasted investments of training resources would occur.

The first efforts to provide training occurred under the Manpower Development and Training Act, enacted in 1962. It emphasized both classroom instruction and on-the-job training (OJT), through private sector institutions, for the economically disadvantaged, unemployed, and underemployed. Similarly, the National Alliance of Businessmen (NAB), a volunteer business organization created in 1968, induced private sector organizations to deal with the problems of the hard-core unemployed. The Job Opportunities in the Business Sector (JOBS) program, a joint effort of the NAB and U.S. Department of Labor, was also launched in 1968 to enlist the aid of private sector organizations in the hiring and training of the disadvantaged. Finally, a revamped Work Incentive (WIN II) Program in 1972 redirected its emphasis from classroom instruction to on-the-job training (OJT). These programs represented private sector intervention in the solving of the nation's unemployment problems.

These programs also addressed many different target groups. Some programs specifically addressed women, who were becoming a larger portion of the labor force, yet who often received substandard wages. Some were targeted at youth, who consistently faced high unemployment rates. Some were directed toward urban ghettos, an area where dwellers are afflicted by high unemployment rates and low income levels. Others were earmarked for special groups, such as Native Americans, ex-offenders, Viet Nam veterans, and the handicapped. But most of the programs were indirectly geared toward minority group members, who bore a disproportionate amount of the nation's unemployment and thus resided at lower income levels. At any rate, it was deemed imperative that those target groups receive training or retraining in the private sector, thus enabling them to qualify for new jobs or to maintain productive employment status in their current jobs.

These programs often provided different types of training. Upgrading and retraining was often applied to those employees displaced by automation or advancing technology. Entry level training was conducted for the unqualified and underskilled. Institutional training was used for jobs requiring classroom instruction before OJT. And remedial education was provided to trainees with more severe educational and work-related deficiencies. Also, some pilot projects introduced new training techniques. Thus, depending on the trainees and the job, classroom training or OJT was emphasized, or a combination of both.

At any rate, private sector involvement in employment and training programs became an integral component of federal policy under MDTA, NAB, JOBS, and WIN II. Although CETA legislation dampened private sector involvement, private sector initiatives continued through NAB/JOBS, WIN II, private proprietory schools, and company or union sponsored training programs. The recent onset of PSIP and TJTC has again shifted the training emphasis toward the private sector. Still, to review the history of private sector initiatives in federal employment and training programs, a more detailed analysis of the early programs--MDTA, NAB, JOBS, and WIN II--is required.

In the remaining portion of this section, there is a general description of how MDTA, NAB, JOBS, and the WIN program involved the private sector in federal employment and training programs. The next three sections analyze and evaluate, respectively, employment and training programs sponsored by companies, labor unions, and by companies and unions together. In Section E, institutional training in private schools is briefly reviewed. In Section F, CETA's linkages with the private sector prior to PSIP are briefly reviewed. Finally, in Section G, a conclusion and analysis is drawn about the private sector experience with national manpower programs.

MDTA

In 1961 few institutions, private or public, provided education and training for the economically disadvantaged, unemployed, or underemployed individual. But in August 1962, the passage of MDTA marked the beginning of financial and technical aid to private industry and school systems to help train the unemployed, underemployed, and economically disadvantaged. These individuals were trained for full-time jobs while receiving government subsistence payments. MDTA aimed to help the worker develop his potential skills, instruct the unemployed worker in new skills, and give the unemployed trainee or current employee a chance to upgrade his current skills. Under MDTA, a trainee received either OJT, comprised of either entry-level training or upgrading-retraining, or institutional training, comprised of classroom instruction, or both.

Under MDTA OJT programs, superior private industry training facilities often provided trainees with highly marketable skills that could be directly applied after training. While the government helped administer and design these programs, and absorbed most of the training costs (employers often paid a minimal wage), the employer trained new personnel for unfilled jobs, upgraded current employees, or moved part-time employees into full-time employment. A 1966 MDTA amendment further broadened the MDTA upgrading policy by allowing part-time training for employees, which significantly increased income gains for the unemployed and the supply of skilled workers (Upgrading the Working Poor, 1969:24). But, regardless of the forms of the subsidy, employer acceptance generally implied an obligation to provide ongoing employment for successful trainees (Manpower Programs for Disadvantaged Youth, 1972:184).

MDTA also funded and assisted in the development of institutional training through private proprietory schools and vocational education institutions. MDTA amendments in 1965 and 1966 allowed the use of qualified private education and training institutions in the MDTA program specifically to conduct manpower institutional programs. Companies and trade unions often enlisted the support of these institutions in conducting classroom training, while they themselves conducted the OJT. Of course, much classroom instruction was conducted by private industry and unions without the support of private proprietory schools or private educational institutions.

Initial MDTA program results were regarded as encouraging. During 1965, of 180,000 MDTA program trainees, 110,000 completed training--and of these, 74% were successfully placed. MDTA programs helped alleviate manpower and production bottlenecks through training for skilled or semiskilled occupations, and reduced excess labor demand for jobs in service-related occupations. Special measures were taken to help underqualified trainees find jobs they were capable of handling and to help 1200 unemployed workers move with their families to cities where jobs existed (Manpower Training Progress Points Up Job Still Undone, 1966:6). Overall, by 1965, 74% of institution-trained workers had been placed, and over 90% of those who received OJT were placed (Industry Aids Manpower Programs, 1965:38).

In 1966, it was reported that 90% of those receiving instruction were jobless when they started, but approximately 88% of those completing institutional training found jobs (Manpower Act Training Given Half Million, 1966:3). In late 1968, Labor Secretary Wirtz reported that 80% of MDTA trainees from 1962-68 has been successfully placed--and 89% completing OJT and 76% of classroom training graduates were still employed. While over 6300 workers were relocated since 1965, 80% remained at their new job for at least six months. These results were encouraging, since over 50% of the MDTA trainees had been unemployed for over ten weeks or headed families earning under $1200 a year (MDTA Training Programs Prove Path to Jobs for 80% of Graduates, 1968: 2).

Further, 50% of the MDTA enrollees were high school dropouts, 40% were nonwhite, 10% received public assistance, 40% were under age 21, 10% were mentally or physically handicapped, 50% were heads of households, 30% were unemployed 15 weeks or more, and 60% were males. Consequently, Wirtz claimed the 1962 enactment of MDTA marked an important step in establishing "an active manpower policy calling for direct, affirmative action to enable the jobless and underemployed to obtain full-time employment" (ibid.).

NAB

In 1968, President Johnson and Henry Ford II set up the National Alliance of Businessmen (NAB), a joint business-government program that provided employment opportunities for disadvantaged people previously considered unemployable. A volunteer organization composed of U.S. business leaders, the NAB was a response to growing government and public pressure. The NAB was to convert the unskilled, hard-core unemployed individual into a permanent employee by bringing company jobs closer to potential employees in lower class areas. The NAB, which had the cooperation of the AFL-CIO, aimed to place 100,000 hard-core unemployed in the private sector in 1968 alone.

By 1974 estimates, over 3400 NAB executives were on loan from business and industry (NAB to Stress Youth Training Jobs for Welfare Recipients, 1975:15). The total NAB staff was over 3800--80% loaned by private industry and 13% by state governments. From 1968-1974, over 65,000 companies participated either by hiring the economically disadvantaged or by loaning executives--or both. The result was the hiring of 1.8 million disadvantaged adults, 51% of whom remained with their employer, a retention rate exceeding that of normal entry-level hires. Moreover, the NAB helped find jobs for 535,000 veterans, 10,000 ex-convicts, and summer work for 1.1 million needy youth (Revenue Sharing Means NAB Forges Closer Local Liaisons, 1974:15).

By 1977, with the aid of over 100,000 participating companies and 4000 loaned executives, the NAB had found jobs for three million disadvantaged adults, Viet Nam veterans, and ex-offenders, and had created 1.5 million summer jobs for youth. In fiscal year 1976, adult hiring alone totaled 357,000. Yet in fiscal year 1977, the NAB used less than $8 million in government funds, while the private sector itself provided over $20 million through loaned personnel, direct donations, and contributions of equipment and rental space. In addition, since the NAB was primarily comprised of larger corporations, it broadened its base by recruiting small and medium sized firms (NAB's 9-year Count is 4.5 Million Hires, 1977:31). Thus, as the influence of NAB spread in the private sector, it became more dependent on its own resources rather than those of the federal government.

JOBS

The NAB's major effort to provide employment for the hard-core unemployed was the 1968 Job Opportunities in the Business Sector (JOBS) program. As a joint NAB-U.S. Department of Labor (DOL) effort, under JOBS companies hired and trained the disadvantaged, and provided supportive services, as specified in the contract with the Manpower Administration. In return, companies were reimbursed by the DOL for the additional costs incurred in training the economically disadvantaged, while the DOL itself provided up to 36 weeks of intensive support services. Of course, some firms operated the program strictly on their own. The JOBS goal was to employ 238,000 disadvantaged unemployed persons in 125 of the largest metropolitan areas by June 1970, and 617,000 by June 1971 (Department Store and Food Chains in "JOBS" Program, 1970:27). Furthermore, the stepped-up JOBS '70 program featured both an entry-level and a skill-upgrading contract option.

Still, JOBS results apparently varied as a function of economic fluctuations and government contracts. By June 1969, approximately 1000 employers had received JOBS contracts covering 80,000 workers. When including employers who conducted training at their own expense, the hiring total was 145,900 (Brighter Vistas for Hard Core, 1969:44). By January 1970, nearly 297,000 basic job pledges were announced by private industry, with more than 213,000 disadvantaged unemployed already hired. Of these, over 119,000 remained on the job (Department Store...:27). By March 1970, 378.000 hard-core unemployed had been hired--and most hired in programs working without a federal contract.

Depressed economic conditions, however, necessitated a change in the JOBS drive. The first setback occurred in March 1970, when the financially pinched Chrysler Corporation terminated its $13.8 million JOBS contract. Under the contract, the largest in the eight-year history of federal manpower programs, Chrysler was to hire and train 4450 production workers for entry-level jobs in seven plants (Chrysler Drops Out of Manpower Contract, 1970: 3). But with slumping auto sales and subsequent widespread layoffs, Chrysler asked the government to modify or cancel the contract in January because it could not meet its obligations. Without a need for trainees, the only recourse was cancellation of the contract (Townsend Takes a Hard-Core Job, 1970:24).

To offset the detrimental impact the cancellation had on the program, Chrysler immediately signed a new contract to train 1000 persons in its dealer network as mechanics, body repairment, and parts clerks. Shortly afterwards, Chrysler signed two JOBS contracts with the DOL totaling $1.1 million. One contract involved upgrading 400 current employees to a foreman level in Detroit area plants. The second involved entry-level training for 200 disadvantaged individuals in Detroit and four other cities. Furthermore, Chrysler completed a JOBS contract it had for training 1700 entry-level workers (Chrysler Signs Contracts to Train 600 People Under JOBS Program, 1970:19). But the JOBS program was extremely vulnerable during the economic downturn. Government experts maintained that efforts to dampen the economy and control inflation further hindered the JOBS program and other job training efforts. In addition, trainee disillusionment grew as completion of manpower training did not always lead to an improved employment situation (Chrysler Drops Out of Manpower Contract:3).

Nevertheless, the NAB helped place 225,000 hard-core unemployed in both 1971 and 1972, added 110 cities with local JOBS programs, and broadened coverage to include service and retail industries. But the recession, the winding down of the Viet Nam war, and rising employment made it difficult to hire unskilled workers. As a result, the DOL received less money to pay companies for the extra costs of training the hard-core unemployed. In fiscal year 1971, the DOL paid $168.3 million to employers for JOBS training, but paid only $153.6 million in fiscal year 1972, and even less in fiscal year 1973. Not surprisingly, trainees hired by companies without DOL training payments dropped from 70% to 57% in 1972 (The JOBS Program Takes on More Tasks, 1972:21).

In addition, the severity of the JOBS program cuts was greater than what appeared. The Nixon Administration initiated the JOBS Optional Approach, which funneled money through the states (like CETA) and lowered per-man training costs. State employment agencies received $40 million to disburse to smaller companies for OJT for 40,000 unemployed individuals. But only 50% of the trainees were required to be disadvantaged, and payments per trainee were only half that of regular JOBS payments. The reduction was due to the termination of supportive service payments (The JOBS Program Takes on More Tasks:21).

Also, besides the recession, the NAB had to operate under the new CETA environment. Prior to CETA, federal money for employers who signed NAB/JOBS contracts was channeled through the DOL. Under CETA's revenue-sharing approach, however, contract money came from the prime sponsor. Thus, the NAB had to deal with local governments rather than the DOL's Manpower Administration. Companies no longer signed a contract with the DOL, but with a prime sponsor (NAB to Stress Youth Training Jobs for Welfare Recipients, 1975:14-15).

Nevertheless, the NAB became involved in more manpower programs by moving outside the JOBS design. While companies were originally reimbursed for conducting OJT for the hard-core unemployed, plus the additional costs of special training (e.g., speech, reading, and arithmetic), the advent of CETA forced the NAB to focus its attention on any private sector manpower program. Also, the NAB, in search of a very few jobs, recruited the small company rather than depending solely on the multiple hires of major corporations (Somber Times Hurt NAB JOBS Drive, 1975:17). Thus, when the NAB received $5 million in federal OJT contracts available to total industry in 1974, it elected to include thousands of small employers in the Chicago area (Chicago NAB Expands Its Search for JOBS, 1974:21).

There was one other important dimension of NAB: it approved a program of placing welfare recipients in private sector employment, and simultaneously promoted and supported the DOL's WIN Tax Credit Program. The NAB set up test campaigns in Louisville, Kentucky, and in Hartford, Connecticut, to demonstrate the effectiveness of these programs.

Apparently, the JOBS program involvement with private sector employment and training programs provided additional hope for the hard-core unemployed. Many large companies absorbed and trained the economically disadvantaged for placement in the private sector--with or without government reimbursement. And, although the JOBS program had much difficulty in meeting its goals, it still provided suitable entry-level and skill upgrading for thousands of trainees. Still, the JOBS program's degree of success was highly contingent on the state of the economy. Thus, when the economically disadvantaged needed the program the most, the program often could not reciprocate.

WIN

The federal Work Incentive (WIN) program also attempted to train the unemployed, and simultaneously reduce government welfare payments. WIN, developed under a 1967 amendment to the Social Security Act, attempted to reduce people's dependence on welfare by placing them in meaningful private sector jobs. WIN offered employers federal subsidies and tax credits to train and hire recipients of welfare and Aid for Families with Dependent Children (AFDC). The subsidy level amounted to 50% of the first $6000 earned in the first year, and 25% of such wages earned in the second year.

New federal regulations in 1972, and a WIN reorganization in 1975, further increased dependence on the private sector. Previously, the WIN program had emphasized classroom instruction. But when DOL took over control from HEW, primary importance was affixed to job training so as to increase the likelihood of positive placement for eligible participants. Private sector employers received a tax credit equal to 20% of the first year's wages paid to participants hired off these welfare rolls under the WIN II program. In fact, in the first 18 months of the WIN II program, over 53,000 welfare recipients were employed in manufacturing alone (Work-Welfare System Off to Good Start, 1974:15).

The WIN program, though, was only slightly successful in placing welfare recipients into private sector jobs, despite government threats to reduce benefits to those who failed to register for job training. In 1976, WIN projects did place 230,000 welfare recipients in private sector jobs, a 50% increase in two years (Off the Dole: Efforts to Switch Poor from Welfare to Jobs, 1977:1). In 1974, 40% of the welfare recipients placed were non-white, and approximately 50% were women. And WIN OJT, where the employer shouldered a portion of the cost, cost the government only $2000 per person annually, compared to costs of over $5000 per trainee in public sector jobs fully subsidized by the federal government (Welfare Job Training Fails to Excite Industry, 1972:56).

Still, by most estimates the WIN program did not reach more than 5-6% of the eligible participants--and these were generally the most qualified. Thus, the most needy WIN participants were often not reached. And if they were women trainees, they often received substandard wages. Furthermore, surveys indicated that less than 10% of the employers hiring WIN participants attributed the hirings to the availability of tax credits. Apparently, employers were confused by conflicting standards under which credits could be claimed, were discouraged by excessive regulations, or simply were not interested in a program that offered such a low subsidy and credit.

B. Company Training Programs

Training and retraining, through any of the programs already described, obviously represented at least a partial solution to the problems of the economically disadvantaged, unemployed, and underemployed. Clearly, private sector initiatives contributed to the success of such programs, probably moreso than public sector programs. Apparently, the long-run employment prospects were brighter for private sector trainees than for those trained in the public sector. Thus, it was not surprising that an increased emphasis on placement in large-scale private industry occurred.

Of course, training or retraining was not within the exclusive domain of any one private sector institution or organization. Training was sponsored and conducted under the auspices of trade unions, provided regularly or temporarily by large corporatiaons or medium sized companies, directed by private proprietory schools or educational institutions, or sponsored jointly by numerous organizations. Some programs were partially or totally subsidized by the federal government, and some were sponsored solely by a private organization for profit. Some programs emphasized training specific to the company or union, and others provided general, transferable training.

At any rate, this literature review is primarily directed at private sector institutions, specifically companies and trade unions. It will deal with private sector initiatives through MDTA, NAB, JOBS, WIN, and independently sponsored programs. It will concern itself with the diversity of programs with the same source of funding. It will address those programs that emphasized institutional training, those programs that emphasized on-the-job training, and those that made use of a combination of the two. It will also review pilot and demonstration projects and it will consider the target groups for whom these programs were designed. Above all, mention will be made of the varying degrees of success and failure of these numerous programs.

Many private companies utilized institutional training and OJT under MDTA to aid the economically disadvantaged, unemployed, and underemployed. The National Alliance of Businessmen (NAB) also involved private industry in employment and training programs, and specifically targeted these resources toward the hard-core unemployed. The JOBS program similarly provided classroom training and OJT for hired trainees. Some companies, though, hired participants from the WIN program. And others sponsored their own training program without government funds. In any event, this section addresses and analyzes the private company experience with manpower development and training. More specifically, this section deals with the diversity and flexibility found in such programs. Here are examples of specific programs run by business firms.

Private Companies/MDTA

MDTA provided for grants for both institutional training and one-the-job training. For OJT, the employer only had to pay the trainees' wages, while for classroom projects, the government usually paid for both the cost of training and the living allowance. But government subsidization did not apply to currently existing training programs--companies were only subsidized if they expanded or supplemented their current program. While most companies stressed OJT, the Hercules Powder Company, located in Wilmington, Delaware, used institutional training to train chemical assistants. With advice from DuPont, Atlas, and General Chemical, Hercules designed an intensive 13-week course. Six weeks were devoted to fundamentals, five to applying principles to actual lab problems, and two to actual lab tests. After training completion, most program graduates obtained steady employment (Industry Aids Manpower Programs:38).

The Datatrol Corporation Project PREPARE utilized both institutional and machine training. Concerned about a scarcity of trained programmers in a technologically advancing industry, and the displacement of employees by data processing and automation, Datatrol developed training techniques, materials, and instructors for use in classroom and machine orientation training. Classroom facilities and machine time were furnished by IBM which, like Datatrol, received no compensation for its services. Classes met five days a week and attendance was excellent. Following the successful placement of all but one trainee, Datatrol and the U.S. Office of Education in August 1965 contracted for another Project PREPARE (ibid.:39).

The Kaiser Aerospace and Electronics Corporation, with the active cooperation of a community college, combined classroom training and OJT to upgrade current employees. With a 95% termination rate among tracer lathe operators the previous year, and a high degree of skill transfer from engine to tracer lathe operations, Kaiser anticipated that recruitment from within, an opportunity for upgrading, and the benefits of a new skill would reduce the high costs of excessive turnover among tracer lathe operators. The first program phase consisted of three weeks of classes at the college, eight hours daily, five days a week. The second phase consisted of OJT in the shop. When the program began, there were 63 tracer lathe operators, anticipated openings for 100, and the need to train more because of high turnover. Three months after the program began, 94 operators were employed, the highest number ever attained (Retraining in the U.S.:412).

Obviously, OJT was the MDTA's most valuable contribution to private industry. In 1965, an Arkansas tire company used MDTA OJT funds to train 75 unemployed men in order to add another shift to expanding operations. An Oregon food company used MDTA funds to train ten women, previously on welfare, to process seafood. A Texas company, after winning a defense contract, used MDTA funds to train 200 new employees in tool design and press-punch operations. And a California aircraft company, unable to find qualified engineering draftsmen in its local labor market, used MDTA OJT funds to recruit high school graduates and train them as draftsmen (Job Training: Uncle Sam Helps Foot the Bill:67).

More specifically, the Bay City Milling and Grocer Company of Michigan also made use of OJT. Bay City needed more clerical employees during its peak business season, but was reluctant to hire trainees due to added payroll costs incurred during slack business periods. The solution was an OJT program whereby MDTA state and federal personnel recruited, screened, and tested applicants, and assisted with training problems. Bay City provided the OJT, although MDTA reimbursed it for all instructional costs (Industry Aids Manpower Programs:40).

The Chrysler Corporation, though, utilized a much larger OJT contract in 1965 to train 1000 automobile mechanics and body repairmen for the service departments of Chrysler dealers. Because of production increases, Chrysler could not meet the demand for trained service personnel. Trainees attended Chrysler approved training centers two nights a week for one year, and received formal training from qualified instructors. Although applicants were screened by local State Employment offices, Chrysler assumed 80% of the $7.85 million program cost (ibid.:39).

In 1969, Chrysler also used a MDTA OJT contract to successfully upgrade 750 unskilled employees previously employed as janitors, material handlers, packer-mailers, and laborers. After 26 weeks of training, they transferred to such skilled classifications as toolmakers, layout men, cutter-grinders, and millwrights (Upgrading the Working Poor:26).

The International Association of Rehabilitation Facilities, Inc., received a MDTA OJT contract in 1969 to both train unemployed persons and to upgrade current employees. Under an 18-month $500,000 contract, Rehabilitation Facilities conducted OJT in health-care occupations for 375 unemployed and underemployed people at rehabilitation centers and other health facilities. Participants were trained for 4 to 26 weeks in subprofessional and nonlicensed rehabilitation occupations. At the same time, 125 selected permanent employees received skill upgrading for 20 weeks (Jobless to Get Training in Rehabilitation Occupations:34).

Private Companies/NAB

The NAB, too, was heavily involved in private industry employment and training programs, and not always through the JOBS program. For instance, in 1969 Honeywell extended full cooperation to NAB projects aimed at securing permanent employment for the disadvantaged. Honeywell committed 629 permanent jobs to the NAB for the hard-core unemployed and 483 summer jobs for disadvantaged youth. By October 1, 1968, approximately 550 permanent jobs and 400 summer jobs had been filled (How Honeywell Took the JOBS Program to Heart:22).

The Bank of America participated in the NAB in 1971, and initiated upgrading and job enrichment classes through "Banking on People" and "Operation Upgrade." Classes, designed for low grade employees with high motivation and potential, were limited to between 10-15 trainees to ensure that each received individual attention. Coursework in typing, stenoscript, business, English, and telephone etiquette was taught by a 12-member

"Banking on People" staff. A counselor was responsible for individual and group counseling while the trainees were in class, and for follow-up sessions after placement on the job. From early 1969 to June 1972, 800 people received special training under the "Banking on People" program, with 200 graduating in 1972 alone. Over 60% of the trainees--50% black, 25% with Spanish surnames, and 13% Oriental--remained with the bank, a retention rate much higher than the nationwide NAB average. The program was so successful in training the economically disadvantaged for work in the bank, and in preparing lower grade employees for advancement, that it was soon expanded (NAB Training Programs at B of A Highly Successful:6).

Obviously, the NAB targeted its resources at the hard-core unemployed and economically disadvantaged. In 1968, Ling-Temco-Vought Inc., through the NAB, provided 380 permanent jobs at its Dallas facilities--most to Mexican-Americans (Hiring the Jobless:1). But the NAB also sought to establish new plants in ghettos to more easily reach the ghetto dweller. Control Data Corporation opened a 300 employee plant in Washington, DC's black slums in April 1969. In Los Angeles, Economic Resources Corporation, a nonprofit group of black and white businessmen, built a 45-acre inner-city industry park in the Watts ghetto area. Lockheed Aircraft Corporation built a $2 million, 300 employee plant there, and then trained 500 hard-core jobless to work as assemblers. And in New York, an industrial park was developed close to Brooklyn's grimmest neighborhoods (New Plants Dot the Black Slums:100).

Major problems, however, plagued these programs. Absenteeism often reached 20%, compared to a normal 3-5% rate elsewhere. At Control Data's Minneapolis plant, high absenteeism had so affected productivity that more employees were required there than elsewhere in the company. At the Fairchild-Miller Corporation's Washington plant, which employs only 90 people, 125 trainees quit the first year. At EG&G Inc., a medium-sized Boston electronics firm, its new plant in the Roxbury section lost $75,000 in 1968 and close to $225,000 in 1969--about triple what the firm anticipated. Another difficulty arose from the training of managers and supervisory personnel, who were also recruited from the ghetto company. This tended to divert manpower from the parent company to the ghetto plant (ibid.:103).

The International Harvester Company encountered similar problems. In 1966, IH launched a "New Start" program to employ high school dropouts, but only 6 of the 50 new workers remained with thecompany. In spring 1968, IH received a $543,000 DOL JOBS program grant to train 260 hard-core unemployed as part of the NAB effort to employ 100,000 ghetto dwellers by July 1969. Of 145 trainees, all high school dropouts and mostly street gang members, only 17 quit or were fired. In addition, a Chicago plant hired an additional 50 trainees at its own expense. IH attributed the turnaround to a high level of supportive services, both on the off the job, and to the sensitivity and orientation training given to IH's operating management.

The first phase of New Start was comprised of pre-job training at a training complex centrally located near one of Chicago's black ghettos. It was separated from the IH plant, however, to prevent disruption of the regular workforce. Supportive services were also an integral component of the first phase. After recruitment, coursework was devoted to personal hygiene, buying on credit, banking, proper diet, union-management relations, and time clock usage. Recruits were tested before and after hiring, with those who fell below a sixth grade educational level assigned to remedial arithmetic and reading courses before receiving skills training. In the fourth week of the pre-job phase, the trainee received a volunteer "buddy" from the department to which he was assigned. The buddy was responsible for getting the trainee to and from work, and for orienting him to the plant during the second phase.

The second phase was eight weeks of highly structured OJT in production plants, where supervisory and training officials frequently checked the trainees' progress. Plant managers, first- and second-line supervisors, and others who dealt directly with recruits, received two briefings, a tour of the training center, and periodic orientation sessions (How to Turn Dropouts Into Steady Workers:64-66+). By February 1969, IH had accepted 178 trainees, and only 37 had left. Of the 37 who left, IH estimated that 16 involved circumstances the company might have been able to control, and 21 left for reasons outside company control.

IH was so encouraged by the positive results that it extended the New Start program into 1969, and initiated another program entitled Second Start. Second Start was designed for those trainees with high potential, but who still failed to complete the New Start program. Second Start dealt with the specific trainee's problems on an individual basis. Attendance, typically a problem with hard-core trainees, averaged 90% in the pre-job and OJT phases of Second Start. And over 40% of the absenteeism was attributed to police confinements, court appearances, and other crime-related causes (New Start--for the Harder Hardcore:10-19).

Private Companies/JOBS

The Aerojet Corporation of California similarly embarked on a program to employ ghetto residents under a JOBS contract. Aerojet established the Watts Manufacturing Company several months after the Watts riots, and provided jobs for over 400 ghetto residents. Aerojet "overtooled" its Watts manufacturing functions and simplified tasks "that new unskilled employees could handle." Traditional hiring and screening procedures were abandoned, and community blacks filled supervisory positions. A buddy system was established whereby new employees were assigned to work alongside experienced employees. Still, because of heavy costs involved, and little government support, Aerojet did not use various supportive services which buoyed the retention rate of the disadvantaged in other companies. Nevertheless, although turnover was high in the first year, in its third year the Watts Manufacturing Company nearly turned a profit (The Profit Motive: Can It Motivate Industry to Hire the Hard Core?:12-13).

The Avco Corporation engaged in "more sophisticated hard-core hiring" than Aerojet because the government covered its abnormal costs. Avco established a printing plant in Boston's Roxbury ghetto and incorporated a 21-week "vestibule" training program to prepare the hard-core for printing trade apprentices. The Avco program included special orientation and counseling, motivation, remedial education, health and legal services, and job coaching (a refinement of the Aerojet buddy system). Turnover was low, but the program was costly--Avco received $5000 per trainee to cover extra costs (ibid.:14). Thus, Avco did not incur the large deficits that plagued other companies that established plants in ghetto areas. Still, by March 1969, of the first group of 253 trainees, less than 200 were still employed by Avco. This turnover was partially attributed to low training wages (New Plants Dot the Black Slum:100).

The Rauland Corporation, a Zenith subsidiary, had sharply lower costs. Rauland received about $1000 per man for a program that involved 2400 hard-core unemployed. The vestibule period only lasted for one month, and then employees moved into the regular workforce to receive additional OJT (The Profit Motive...:14).

Numerous companies, however, rehabilitated and trained the hard-core unemployed without establishing a plant in the ghetto. Four airlines thus received $7.3 million in 1968. Boeing rehabilitated and trained 350 trainees --266 were trained 32 weeks as assemblers, and 84 were trained eight weeks for jobs as stock clerks. After completing training, they were paid the starting union wage. Eastern Airlines trained 560 hard-core jobless in Miami and 16 other eastern cities for 13-19 weeks, but in the process had to relax its employment standards. United Airlines trained 400 persons in 11 cities for utility, ramp, and dining service jobs. And McDonnell Douglas trained 90 jobless persons as assemblers in its St. Louis plant (Aerospace, Airlines Aid Unemployables:1).

The JOBS training in these four corporations began with an intensive health checkup. As training progressed, trainees worked part-time under regular shop employees, and were observed and coached by vocational counselors. During training, they were paid at least the minimum wage, and sometimes more depending on negotiations with the specific trade unions involved. When training was completed, qualified trainees moved into regular employment at the starting rate established by union contracts. Further, the federal government absorbed most costs, including a production differential based on what the average untrained worker produced on the job and what the average untrained disadvantaged worker produced during the training period.

Although similar, General Electric's program to hire and train the severely disadvantaged and unemployed for jobs as electronic technician associates included classroom training. Trainees received eight weeks of remedial education and classroom preparation at GE's Electronics Park in Syracuse, NY. Then trainees entered a 12 week OJT period. A major problem during OJT was that company supervisors did not delegate enough work to trainees. The initial level of work efficiency was so low that supervisors did not provide vocational counseling, but instead did the job themselves. Eventually, through the help of other supervisors, the problem was overcome (How to Succeed at JOBS by Really Trying:3).

Pacific Northwest Bell Telephone encountered the opposite problem in its JOBS program, a combination of vestibule training and OJT. When Pacific Northwest trained the disadvantaged for positions as linemen, framemen, and installer-repairmen, it started with three weeks of classroom training followed by assignment to repair crews for OJT. Nonetheless, turnover reached 60%--trainees were being advanced too quickly. As a result, the program was restructured. Personal adjustment problems were dealt with in class and field work was relatively unstructured to alleviate job pressures. Trainees then returned to the classroom for three weeks, followed by a wide-ranging field experience. Only then were trainees integrated into regular work crews. Consequently, turnover immediately dropped to 40% and even lower as the program was refined (ibid.:7).

A large west coast corporation, which used vetibule training to prepare disadvantaged workers for jobs, circumvented this problem. Trainees, supervised by a professional training staff, moved from bench to bench, mastering each skill. When they demonstrated sufficient ability they moved to the production line. This program protected trainees from too rapid advancement and from potentially critical attitudes of regular employees. Furthermore, new trainees were supervised by empathetic personnel (ibid.: 9-10).

Similarly, a California retail chain found that disadvantaged workers trained for two weeks on simulated checkout stands were better qualified for the job than experienced employees. As a result, the company gave similar training to all new and regular employees. Regular employees only received one week of training, but they received the same counseling and support services that the JOBS employees received. Chase Manhattan Bank also set up training for regular hires that was modeled after the program for the disadvantaged, which included orientation, skill training, remedial education, and other services (ibid.).

Of course, not all JOBS programs were directed at the ghetto resident or the hard-core unemployed. Chrysler, the largest contractor under the JOBS program in both jobs and DOL dollars, did not train individuals with chronic maladjustments. Chrysler maintained that such individuals could not be helped under the scope of their program or by the Chrysler Institute--its training arm. On the other hand, Chrysler attempted to screen out those individuals not in need of a specialized training program (e.g., individuals who just needed a temporary job).

Chrysler utilized an orientation/training program. Entry-level clients spent several weeks in a learning, orientation, and evaluation process prior to placement on a production job. This front-end portion of the program integrated job-related basic education and orientation components through presentation in a classroom setting. During this time, advisers used valid assessment devices to evaluate a trainee's dexterity, temperament, and capabilities so as to make the best possible assignment to entry-level factory openings. After placement on the job, a low-key system of OJT and performance evaluation kept production pressures at a minimum. Support services were provided, and defined by each individual trainee. But Chrysler asserted that supportive services should be combined with counseling, and discontinued at the earliest possible time.

Yet, in 1972 Chrysler experimented with a four-step approach where career planning began on the first day of entry-level involvement. The first step was honest assessment, in which the employee not only received information on existing and potential career paths, but feedback on his capabilities, qualifications, and potential. The second step involved the presentation of options available by way of career paths, and path requirements. The third step involved counseling the employee to decide movement onto a career path. This included an honest synopsis of the trainee's deficiencies --academic, personal, physical, or otherwise--that had to be remedied to realize the career path potential. The final step dealt only indirectly with the employee. It was to systematically force the overall organization to uphold its promise to promote from within (Employing the Unemployable: The Lessons of Experience:12-16).

The Honeywell Corporation operated an orientation/training JOBS program similar to Chrysler's in 1969--"Operation Passport." Once industrially inexperienced trainees were identified and hired, some directly received OJT and others began a six-week orientation and skills training program. Trainees were paid a starting wage, which increased when they completed training and moved into a factory position. The first phase was orientation, which covered the reduction of tensions, motivation, and familiarization with Honeywell. The second phase was skills training, which acquainted trainees with the operations and skills required for the job. Although approximately one hour per day was devoted to orientation and discussion, and seven hours per day to OJT, Operation Passport was flexible enough to remain responsive to trainee needs and the needs of Honeywell employees who worked with the trainees. Furthermore, trainees were assigned only to supervisors who had taken the company's sensitivity awareness course (How Honeywell Took the JOBS Program to Heart:22-25).

The Freeport, Texas, Shrimp Association, a consortium of boat owners, and Fitzgerald Laboratories of Annapolis, Maryland, also sponsored a classroom/OJT program. Freeport placed qualified recruits on board vessels during the OJT phase, while Fitzgerald conducted the actual training at a dockside training center. Groups of ten employees, certified by the Texas Employment Commission, entered course instruction at two-week intervals. They received eight weeks of on-shore instruction, followed by practical experience in center workshops. This was followed by 44 weeks of OJT aboard shrimp fleet boats. The trainee first received practical experience on board a training vessel staffed by instructors with extensive experience. This was followed by placement on a fishing trawler. Throughout the program, counselors helped trainees with adjustment to the sea, discipline, social skills, budgeting, and other related problems. As a result of training, 80 men took jobs at sea in 1969, and 70 the following year at a cost of $471,000 (The Making of a Shrimper:15-19).

Along a different line, the Valspar Corporation of Illinois was the first employer to sign both entry-level and upgrading training contracts under provisions of the JOBS '70 program. Under its entry-level contract, Valspar, a manufacturer of paint and varnishes, hired and trained 37 disadvantaged, unemployed persons for company related work. Trained for 16-39 weeks, most participants were permanently placed into full-time jobs after completion of training. Under the upgrading contract, Valspar trained 11 present employees for 17-25 weeks, whereby both their skills and earnings increased (Valspar First to Sign JOBS '70 Entry and Upgrading:27).

Private Companies/WIN

Although private industry devoted little attention to the Work Incentive (WIN) program, WIN was not without its contributions. The Jorma Chair Company, a medium-sized firm in Puyallup, Washington, attributed its success to WIN participants. And these participants were individuals that many employers were not anxious to hire--handicapped individuals and welfare recipients. In existence only since 1973, by 1977 85% of Jorma employees had been trained on-the-job under the WIN program. Since WIN assists welfare recipients who desire work but have no marketable skills, this represented the first gainful employment experience for many Jorma employees.

The company's stability with former WIN participants reached such a high level that Jorma employees were involved in the selective process of new employees. Since they were part-owners of the business, by virtue of a profit-sharing plan, employees protected their investment by selecting compatible and productive coworkers. As this did not result in a shift away from WIN program participants, WIN was one reason why Jorma succeeded. And with the WIN tax credit reducing labor costs, and the stability of current employees, Jorma planned to open five additional plants in major metropolitan areas and continue the use of WIN participants (WIN/NAB--It Plays in Puyallup:24).

The United Technology Corporation's Pratt and Whitney Aircraft group also successfully used the WIN program. At its 20,000 employee jet engine plant in East Hartford, Connecticut, 5-10% of its new employees in 1977 were hired through WIN. In return, the company received approximately $200,000 a year in tax credits. Furthermore, Pratt and Whitney executives maintained that the local WIN office's selection of workers topped that of the federal-state Employment Service. In addition, 70% of the former welfare recipients remained on the job, a rate equaling or exceeding that of regular employees (Off the Dole: Efforts to Switch Poor from Welfare to Jobs:1).

Private Companies/Company Sponsored Training

Of course, not all private industry training initiatives were run solely under the auspices of MDTA, NAB, JOBS, and WIN. Some companies sponsored their own training programs without government subsidies and grants. For instance, the Prudential Insurance Company of America in 1965 requested from the New Jersey State Employment Service recent dropouts with some typing ability. Trainees were limited to ten, and replacements made when a trainee completed the course or left the program. Course instruction, held for two hours, five nights a week, centered on office procedures such as filing and telephone techniques. Completion time depended on the individual trainee's progress. Still, trainees received no compensation, nor were they guaranteed employment with the company (Industry Aids Manpower Programs:39).

The Carson Pirie Scott & Company's program with the Chicago Board of Education emphasized both employment and education for Chicago high school dropouts. After selection by school counselors, trainees attended an orientation session describing company expectations of its employees. They were then assigned "Big Brothers" or "Big Sisters" who were volunteer college-level junior executives. Trainees then had to work their way into existing job openings and attend classes, and were judged on both their classroom and on-the-job performance. They worked three days a week and went to school two days, with education being related to work whenever possible. While the support of parents, relatives, and friends was actively enlisted, the company and Board provided counseling. Still, while teachers' salaries and special materials were covered the first year by a $50,000 Ford Foundation grant, subsequent costs were absorbed by both the company and the Chicago Board of Education (ibid.:40).

Although Campbell Soup's company-sponsored program was also run in conjunction with the Chicago Board of Education, it emphasized the development of current employees rather than the recruiting of new employees. Rather than rushing into specific training programs, management asserted long-range success would be greater if education was first emphasized. Participation was voluntary and occurred on the employee's own time. Textbooks and supplies were provided by Campbell and teachers were provided by the Chicago Board of Education. The program accomplished its goals and was expanded the following year to include grades 7 to 12 (ibid.:43).

E. I. duPont de Nemours and Company utilized a retraining program for displaced employees. At a closing industrial plant in Tennessee, many of the 674 employees were older men with limited education. Other productive plant units had openings, but required skills not possessed by these displaced workers. Still, DuPont sought to reemploy these individuals if they passed qualifying tests. Advanced planning for the closing therefore included plans for a large retraining program, which emphasized both classroom instruction and OJT. Of the 674 employees, 449 were retrained and qualified for other DuPont jobs, 155 went on pension, and only 70 had to be given termination pay (ibid.:43).

C. Union Training Programs

The Department of Labor made its largest upgrading effort through on-the-job training (OJT) under MDTA. The DOL was particularly successful in promoting upgrading training through national trade associations and labor unions. MDTA also promoted entry-level OJT, and to a lesser extent classroom training. At any rate, the greatest opportunity for a labor union to conduct an employment and training program was through MDTA. Some unions did make use of WIN participants, and others sponsored training without outside aid. In this section, the trade union impact on employment and training programs is assessed and reviewed.

Trade Unions/MDTA

The AFL-CIO Appalachian Council received MDTA grants totaling over $3.75 million in 1969 to provide classroom and OJT for 4000 disadvantaged, underemployed, and unemployed people in depressed urban and rural areas in 11 Appalachian-region states. Both projects coupled classroom training and OJT. The larger $2.5 million program aided 3000 people in urban areas. The smaller $1.25 million project called for the training of 1000 rural residents. The Appalachian Council also negotiated subcontracts with private employers throughout 11 states to hire and train those workers (Labor to Train 4000 in 11 Appalachian States:7).

Similarly, the Construction Laborers-MDTA contract involved 1500 men in 11 states and Washington, DC, and utilized classroom training and OJT. Over 65% of the trainees, chosen by the local U.S. Employment Service office, came from disadvantaged families. The 15-month program began with four weeks of classroom and trade related instruction, which included the safe use of equipment and materials. The training also included four weeks of OJT experience during which trainees earned full-time salaries and performed basic work. Under the agreement, the Laborers initiated subcontracts with various locals to provide instructors, training facilities, and supplies (Laborers Get Federal Pact to Train 1500:5).

Earlier, the Northern District Council of Laborers of California embarked on a MDTA pilot project to upgrade the skills of construction laborers. The training program, carried out of the Marines Training School in Santa Rosa, provided for nine 6-week sessions, in each of which 60 union members received instruction on a wide variety of construction skills. Field instruction was furnished by six experienced construction laborers, each of whom supervised ten trainees. The program was so successful that the international union expanded it after only a few weeks. Furthermore, employers under contract with the union strongly endorsed the program because it produced a greater supply of skilled labor, which subsequently reduced turnover, increased labor production, averted job delays, and lowered construction costs (Pilot Project Seeks to Upgrade Construction Skills of Laborers:9).

Another training program aimed solely at upgrading skills was conducted by IAM District 15 of New York City. Under this special OJT project, 500 IAM members in New York area shops received six hours of special training weekly for 43 weeks. Although training took place in the shop after regular working hours, participating employers did so within the scope of IAM agreement. Still, training was not a substitute for the regular apprenticeship program, but simply a means by which IAM members could enhance their skills and increase their take-home pay (District 15 Sponsors New Training Project:5).

The International Union of Electrical, Radio, and Machine Workers (IUE) conducted OJT for 1300 disadvantaged men and women under a 1966 MDTA promotion and development contract--and introduced the "buddy system." Originally interested in training for technologically displaced members, after passing the 1400 mark IUE signed a second contract for regular OJT in December 1967. The results were excellent--the dropout rate was only 4% under the first contract, and 10% under the second (Union Connects Jobs and Workers:28).

Further, from 1966-69, over 2200 disadvantaged men and women were placed as electrical workers in factories in eight states. About 65% of the trainees were new hires, and the remainder were upgraded after training periods of 18-40 weeks (Upgrading the Working Poor:25). Most trainees were high school dropouts, about 33% were women, and over 50% were black or Spanish-speaking Americans. When over 800 people had been trained under the second contract by September 1969, the Manpower Administration gave IUE $100,000 more to train an additional 1000 people.

In late 1969, the DOL and IUE signed a third contract, strictly for upgrading. About 7000 IUE factory members in nine cities received additional education and skill training. The $170,000 promotion and development contract enabled IUE, with the aid of several major universities and its locals, to develop a practical improvement program for its rank-and-file members. In addition, while IUE previously had to persuade employers to sign a declaration of interest, negotiate the contract, and work with the employment service to recruit the disadvantaged, in 1969 the Emerson Corporation requested IUE to train and upgrade nearly 250 men and women through the IUE project. When the Bendix plant in Franklin, Indiana, needed 38 workers for a new product line, IUE persuaded Bendix to retrain present employees in danger of being laid off due to job eliminations rather than hire help from the outside (Union Connects Jobs and Workers:30).

Trade Unions/WIN-MA

As a consequence of the increasing number of women in the labor force, and the fact that they made up about 40% of the nation's unemployed, many employment and training programs were targeted at women. The Brotherhood of Railway and Airline Clerks (BRAC) trained women as yard clerks through a WIN contract. The Graphic Arts International Union similarly trained 105 women as bookbinders. The Manpower Administration (MA) also contributed to the training of women workers through national OJT contracts. Under a MA grant, the International Union of Electrical, Radio, and Machine Workers trained 95 women in 16 occupations. In addition, in 1975, 20% of the National Machine Tool Builders Association's enrollees were women, with association policy calling for greater increases in hiring women (In the Manner of Rosie the Riverter:28).

Trade Unions/Union Sponsored Programs

Finally, some unions sponsored training without any outside funds. The American Radio Association, AFL-CIO, provided advanced training courses for maritime radio operators of New York and San Francisco, after insisting that all members become acquainted with technological advances. The institute's curriculum consisted of fundamentals of the trade. Each resident class ran for seven hours a day for one month, and enrollment was limited to 12 to ensure individual instruction. At the laboratory stations, trainees were matched so they could work at a comparable pace. As a result, the San Francisco institute graduated 120 trainees in 1963 and 238 in 1964. The New York institute graduated 216 trainees in 1963 and 394 in 1964 (Retraining in the U.S.:418).

D. Joint Union-Management Programs

While most private sector employment and training programs were conducted solely by companies, in numerous instances companies enlisted the active participation of a labor union, or vice versa. In these cases, most funding was again received through MDTA, although MDTA was not the sole source of funding. With active union involvement, journeymen, pre-apprenticeship, and apprenticeship training was often served by classroom training and OJT. In this section, the diversity and effectiveness of joint labor-management employment and training programs are analyzed and reviewed.

Joint Programs/MDTA

When the Richmond, California, State Employment office identified, through unfilled job orders, a demand for 60 workers capable of doing laboratory work in chemical firms and refineries, the Chemical Workers Union and area employers expressed an interest in a chemists' assistants course. A receptive local junior college, after consultation with the business representative of the Oil, Chemical, and Atomic Workers Union and several companies, created a course that concentrated two years of chemistry into 42 weeks. Starting the course were 24 students, 14 of whom were unemployed heads of households. Yet, during the first six weeks 7 trainees withdrew, and by the time the course ended 13 had dropped out. Of the 11 trainees who completed the course, only 7 found employment (Retraining in the U.S.:420).

A voluntary pilot program emphasizing remedial classroom training was conducted by the United Steelworkers of America (USWA), seven major steel companies with plants in Chicago and Baltimore (Inland Steel Co., National Steel Corp., Youngstown Sheet and Tube Co., U.S. Steel Corp., Armco, Republic Steel Corp., and Bethlehem Steel), and the federal government under MDTA. The fall 1967 program, resulting from a joint study provided for in the 1965 USWA contract settlement with ten major steel companies, upgraded the communicative and mathematical skills of approximately 1600 USWA members. A USWA-steel industry team studied problems of training steelworkers by observing individual company training programs and their in-plant operations. The program objective was to lift the workers' educational levels to enable them to qualify for available training and job opportunities (1600 Steelworkers Will Be Upgraded Under New Pilot Training Program:3).

A highly successful labor-management program to train disadvantaged workers in New York also involved classroom training. Conducted by Skill Advancement, Inc., the program also included the Retail, Wholesale & Department Store Union Local 1199 and the Hotel and Restaurant Employees Local 164. During the first year, about 1800 low-skilled workers--mostly blacks and Puerto Ricans--were promoted to higher paying jobs after completing a 40-hour course. As a result, the program was extended into a second year by a $600,000 MDTA contract (Job Graining Plan Renewed in New York:2).

The New York Hotel and Motel Trades Council, AFL-CIO, and the Hotel Association of New York sponsored a MDTA program to upgrade 91 hotel workers not only through classroom training, but also through OJT. Participants, after completing eight months of combined classroom training/OJT, were qualified to move from their low paying dead-end jobs into better paying white-collar classifications. The upgrading course consisted of six classes --one for each of the higher job classifications. Most graduates--65% were blacks or Puerto Ricans--were quickly slotted into employment suited to their new capabilities (Training Plan Breaks Dead-End Job Barriers:2).

Union participation, though, was often directed at pre-apprenticeship or apprenticeship training, especially for youth. In 1967, the Detroit Trade Union Leadership Council (TULC) and the Detroit and Michigan Building Trades Council prepared and trained about 200 predominantly black youth for an apprenticeship program. Under a $95,000 MDTA contract with the DOL's Bureau of Apprenticeship and Training (BAT), the TULC staff and two building trade units developed job opportunities in apprenticed trades for the recruited applicants. Program goals included opening apprenticeship programs to more minority group members and to prepare trainees for apprenticeship tests. The 4-10 week program also familiarized recruits with the screening sessions held by various joint apprenticeship committees (Joint Training Program Set for Detroit Crafts:3).

BAT also contracted with the Bricklayers and building contractors in three states to train 470 low income youth in masonry skills through OJT. The largest project, in Salisbury, North Carolina, provided 12 weeks of training with building contractors for bricklayers, stone masons, and tile setters. Trainees received a minimal wage, paid by employers, for the first 10 weeks, and after 12 weeks became formal apprentices. The trainees were expected to continue with three years of apprenticeship training after completion of the preliminary instruction (Bricklayers Get Grants to Train Needy Youths:3).

Similarly, in 1967 the Arizona Master Contractors Association and the Bricklayers Arizona Local 3's joint Apprenticeship Committee received a second federal MDTA contract to direct 20 unemployed and disadvantaged young men toward journeymen status. The program was designed for poorly prepared but otherwise suitable prospects. Recruits received six weeks of pre-job elementary school instruction, followed by 12 weeks of OJT and instruction given by journeymen members of the Bricklayers union. During this period, the union also provided up to 6 1/2 hours a week of classroom instruction. Recruits who successfully completed training were indentured into the regular apprenticeship program (Bricklayers Sign Arizona Training Pact:6).

The Arizona chapter of the Associated General Contractors and Local 428 of the Phoenix Operating Engineers also conducted an apprenticeship-entry training program. Trained as heavy equipment operators, 60 Apache Indians received wages from MDTA funds and the Bureau of Indian Affairs depending on their previous experience. Local 428 provided the instructors, and the contractors provided the heavy equipment. Project work included construction of flood controls, and operation, maintenance, and repair of heavy equipment. On completion of a year of apprenticeship-entry training, recruits were moved into apprenticeship programs to broaden their skills and increase their earnings (Construction Union Helps Train Apaches:2).

A much larger pre-apprenticeship and upgrading program was coordinated by the Plasterers and Cement Masons Union and the Portland Cement Association in 1969. As an extension of an August 1967 contract that trained 1500 trainees in 34 states, this 16-month program upgraded the skills of 350 journeymen and trained 900 prospective apprentices in 83 project sites throughout 44 states. The prospective apprentices, recruited among minority groups, the disadvantaged, unemployed, and underskilled, received six weeks of special training in applied English, math, and basic job-related skills. This was followed by 20 weeks of OJT, where the plan called for 705 cement mason apprentices and 195 plasterer apprentices. In addition, 350 journeymen received 42 hours of upgrading instruction during working hours on new industry techniques and materials. An additional 50 journeymen were trained as instructors. Besides aiding the industry, the federal investment per trainee was only $831 (Cement Union Given Grant to Train 1250:28).

Joint Programs/Labor-Management Sponsored

By 1966, joint labor-management and labor-sponsored OJT projects covered nearly 6000 trainees enrolled in apprentice-entry, retraining, or upgrading programs. These programs were sponsored by 24 different labor organizations and joint labor-management groups in 28 states. In California, 400 journeymen operating engineers and 120 carpenters were upgraded in new trade skills; 3000 barbers and hairdressers nationwide learned new techniques to qualify them for better paying jobs; apprenticeship-entry bricklayers' training programs were created for 300 Georgia men and 160 in Washington, DC; and 300 Nevada hotel service workers were trained in an apprentice-entry program (Manpower Training Progress Points Up the Job Still Undone:6). And in Binghamton, New York, the Bricklayers Local 41 and the Associated Building Contractors initiated a 14-week OJT program for 20 bricklayer apprentices (Bricklayers Get Grants to Train Needy Youths:3).

Joint Programs/NAB/AFL-CIO

Although the NAB generally worked independently, in some instances it became involved in joint labor-management programs. In 1969 the AFL-CIO, in cooperation with the NAB and DOL, started a pilot program in five cities--Atlanta, Cleveland, Houston, Milwaukee, and Portland (Oregon)--to train union members to help the previous hard-core unemployed adjust to their new jobs. After being trained in union counseling courses, one union member was assigned to aid one newly employed person. The first program objective was to help the new employee adjust to the plant, his coworkers, union membership, and job requirements. The second program objective was to help the employee receive needed services available through community health, welfare, recreational, and educational facilities. Both objectives were designed to retain the hard-core disadvantaged on the job (Plan Tested to Adjust New Workers to Jobs:11).

A summer program for ghetto youth was also jointly sponsored by the NAB and the AFL-CIO Human Resources Development Institute. Funded under CETA, this program provided 300 disadvantaged youth with an opportunity to explore various vocations in private industry. Conducted in 19 cities, the program expanded the enrollees' knowledge and understanding of employer requirements and expectations in the work setting. The youth were put on the employer's payroll, at no less than the minimum wage, for a maximum of five hours a day for nine weeks. Program activities included an introduction to basic labor-management issues and practices, and to the basic principles and concepts of collective bargaining. Still, enrollees were not involved in productive work, nor retained at the conclusion of the program (HRDI Enrolls Needy Youths in Job Project:8).

A much larger program, run by U.S. Steel and the USWA under four JOBS contracts from 1969-71, was designed to train 5000 persons, most of whom were unqualified, unemployed, and underemployed persons. Since a majority of the applicants and new employees lacked the industrial skills and educational background needed to perform adequately in the industry, training centers were designed at each participating plant, department, or division. Through counseling, education, and simulated job experience in the center, and OJT in the plant, trainees were prepared for entry-level or higher level jobs. The program prepared new employees for industry work, partially eased the company's manpower problems, and helped meet a community need. In fact, by October 1971, over 4900 participants had entered training. And of the hard-core disadvantaged hired, 73% completed the formal training and 64% remained with the company. Overall, 50% of the JOBS program trainees remained with the company, compared to a 33% retention rate for gate hires.

Nevertheless, whereas job-related basic education previously required 228 hours of classroom work, in 1971 it was trimmed to 160 hours. Each trainee was tested and assigned to either the basic course if testing below the fifth grade level, to the advanced course if testing between the fifth and eighth grade level, and to the high school completion course if testing above the eighth grade level. Also, training center activity was reduced from 12 weeks to nine weeks. In this 40 hour/5 week orientation training sequence, an understanding of the steel industry and its expectations were emphasized, together with discussions of positive work habits, employee benefits, and union relationships. Issues also stressed were personal and industrial safety, plant rules, and career opportunities. Finally, a final week of full-time work in the plant acted as a transition from the training center to the mill (Putting Steel in the JOBS Program:6-10).

E. Private School Programs

Through 1965 and 1966 MDTA amendments, all qualified public, private, and nonprofit educational agencies became eligible to conduct manpower institutional programs. With the aid of private education and training institutions, over one million persons had been trained in schools and colleges in nearly 1000 different occupations during the first six years (1962-1968) of MDTA (More Than One Million Trained Under MDTA:68). By 1971, institutional training opportunities had been offered to over 1.7 million people. Of the 1,125,000 participants who successfully completed their training, approximately 75% became employed as a result of training.

Thus, these school systems apparently offered skill training, retraining, and remedial instruction that resulted in realistic employment opportunities for the unemployed and underemployed (U.S. Office of Education:1). In this section, institutional training in private schools is briefly reviewed.

MDTA mandated the use of private schools where such institutions could provide equipment or services not available in public institutions. MDTA also mandated the use of private schools where, at comparable cost, they offered equivalent training, avoided the necessity of setting up special classes, or more quickly reduced unemployment or manpower shortages. In fiscal year 1971, 209 projects were approved for nonpublic institutions to provide training for approximately 13,000 persons. In addition, individual referral projects were developed for over 11,000 trainees--and most training took place in private institutions (ibid.:5). On a state level, many of the 14,000 participants who received institutional training in Iowa in 1972 received the training at regular training facilities or technical schools (Iowa Employment Security Commission:5).

Private schools also offered much flexibility and diversity. In some schools, a trainee with a potential capability enrolled in a general occupational cluster, explored the different occupations in that area, and then selected a specific occupation in which to specialize. Other private schools trained individuals referred for training on a statewide basis, provided supplementary classroom training in conjunction with OJT, or conducted classes for a single occupation. Others conducted experimental or demonstration projects. In Philadelphia, the Opportunities Industrialization Center (OIC) supplemented their active youth recruitment policy with a private trade school that offered 27 courses ranging in duration from 9-26 weeks. A system of industrial advisory boards provided information on the suitability of the trade schools curriculum, supplied it with equipment, and secured placement for those who completed training (Youth Employment Programs in the U.S.:509).

Still, major problems deterred the use of private institutions in the MDTA programs. Among these were burdensome state administrative and legislative barriers. Another was the lack of accreditation policies that made using private institutions by the state Departments of Education difficult, and often necessitated federal intervention before a private school could be used. But once these obstacles were cleared, the placement record of MDTA trainees compared favorably with that of day-trade preparatory graduates.

F. Early CETA Programs

Although the decentralized CETA program emphasized public service employment, PSIP was not CETA's first contact with private sector institutions and organizations. Under some sections of Title II, private sector institutions were eligible for CETA monies. And under CETA Title III, special experimental programs were authorized to link prime sponsors' employment and training activities to programs that stimulated private sector economic development. The scope of Title III is specifically addressed in this section.

CETA Title III programs were aimed at disadvantaged unemployed or underemployed individuals--primarily youth. The subsidy level, determined by the Secretary of Labor, ranged from $0.50-$1.00 per hour and extended over a two-year period. But under Title III, an increasing amount of participation by organized labor occurred in the planning, design, and operation of programs. The national union usually subcontracted with its locals to work with companies covered by the union contract. The programs were then initiated by union locals and employers, and wages varied with the trade or occupation and the geographic location. It was believed that the union could better determine where additional workers were needed, and thus provide meaningful entry-level training for the economically disadvantaged participant.

Under CETA Title III, the union was able to deal with participants from intake to job placement. And although apprenticeship development was emphasized, skill upgrading training was provided to move workers into better paying and more stable jobs. For instance, the United Furniture Workers provide OJT to 365 women, veterans, and minority group members under a CETA Title III contract. The union recruited 270 persons, furnished pre-employment counseling, and placed them with employers who had a collective bargaining agreement with the union. Another 95 current employees were upgraded in their jobs. Approximately 50% of the OJT was for blacks, 25% for women, and 25% for other minorities. Apparently, the goals of organized labor (increased job opportunities, greater self-sufficiency, and higher wages) coincided with CETA Title III. Unfortunately, CETA Title III reached very few of the economically disadvantaged and structurally unemployed.

G. Analysis and Conclusion

While mention has been made of some private sector employment and training programs that failed, one must deal with the truism that failures are rarely cited or reported. But it was not the purpose of this review of the literature only to describe successful private sector employment and training programs. After all, to conclude a review of the literature without qualifying the findings would destroy the effectiveness of such an analysis. Thus, some specific problems that plagued MDTA, NAB, JOBS, and WIN will be described, along with some broad problems that afflicted private sector initiatives.

In terms of overall policy objectives and usefulness, many labor market experts have defended private sector employment and training programs. Mangum, after evaluating MDTA through a cost-benefit analysis, concluded that its programs were highly successful and the results clearly favorable. Mangum conceded that MDTA had certain weaknesses and that methods existed to increase its contributions, but that these were unresolved issues to which appropriate solutions were by no means clear. Mangum concluded, however, that while every MDTA process was not economically efficient, the overall contributions of the program exceeded the costs by a margin that not only merited support, but also justified expansion (Mangum:3).

A study conducted by London in 1966 was not quite so favorable. London originally found that over 47% of previous MDTA trainees found employment on completion of training in the occupation for which they were trained, nearly 16% found employment in a related occupation, and about 25% were employed in unrelated occupations. But after second and third interview periods, progressively smaller percentages of trainees were found in the occupations for which they were trained and larger percentages in unrelated occupations. Still, those trained in skilled or semiskilled occupations were more likely to be employed in those occupations during the first six months after completion of training than those trained in lower level occupations (London:81).

Other studies also indicated that private sector manpower and development programs had not solved the problem of pre-employment preparation. The Mentec Corporation of California conducted an evaluation of MDTA institutional programs in 1971, and concluded that overall completion rates as a percentage of input were lower than what should have been accepted for a federally funded program. The relevance of the program to labor market requirements was also low as reflected by job placements, both as a percentage of training completions and as a percentage of program input (Mentec Corporation:109).

Thus, it has been asserted that while private sector initiatives were considered essential in the 1960s for resolving problems of the economically disadvantaged, unemployed, and underemployed, most were really dismal failures. Recently, Ashenfelter maintained that neither judgment about private sector training programs was supported by any careful empirical analysis. Ashenfelter maintained that the earnings of 1964 MDTA trainees were raised by training above what they otherwise would have been. Ashenfleter conceded, though, that the absence of an experimental design for his study (and others) put a considerable range of uncertainty into his conclusions (Ashenfelter:5).

Anderson, Perry, Rowan, and Northrup conducted a comprehensive evaluation of all government manpower programs in 1975, which included extensive analyses of MDTA, JOBS, or WIN. While they did not differentiate between private sector and public sector MDTA programs, they concluded that the post-program labor market performance of all MDTA trainees suggested that MDTA had a positive impact on trainees' economic and post-program employment status. MDTA graduates far surpassed their pre-program experience, and compared favorably with those individuals who did not complete their MDTA training or who were not involved in MDTA training. Still, the nature, extent, and probable duration of the economic impact of training varied over time with changes in the labor market and the training group composition, and differed among various groups of trainees and types of training. But overall, women and minorities apparently realized substantial benefits from MDTA training (Anderson:183).

Anderson, Perry, Rowan, and Northrup also indicated that the JOBS program had a pronounced positive impact on the economic status of the disadvantaged and near-disadvantaged in its early years. Moreover, the program apparently generated broader social and economic benefits by effectively expanding labor supply in the face of rising labor demand. But while the program's short-run effects were clear, its long-run impact was much in doubt. The JOBS principle of "hire now-train later" was seriously undermined by the loosening of the labor market--and there were no guidelines to estimate the extent it would be revived once full employment was again reached. This calls into question employers' attitudes and commitment in the long run. In addition, questions about the staying power for clients of the JOBS program, both in terms of specific jobs in the short run, and participation in the primary labor market in the long run, have not yet been answered (Anderson:200).

The WIN program's economic impact on enrollees (40% were blacks and 60% were female), measured in terms of pre- and post-training earnings, employment, and reduction in welfare dependency, also indicated that WIN participation had a positive and beneficial effect. Females benefited more than males, but no differential impact by race was found. Significant noneconomic benefits also accrued to participants in terms of their work aspirations and use of supportive services. But it was suggested that WIN resulted in little or no reduction in welfare dependency. Thus, the success or failure of WIN depended on the criteria that were used. Still, the evaluators indicated that WIN II was more successful in placing trainees, and in providing significant economic and noneconomic benefits to enrollees (Anderson:396). Apparently, national manpower policy in the private sector improved the operation of labor markets by increasing the competitive positions of individuals facing employment barriers, at least in the short run.

Program failures continued to be overlooked, and the results of successful employment and training programs were often reported without qualifications. In 1967, it was reported that nearly 5000 persons had been trained in 1300 occupations under MDTA. About 274,000 had completed training by 1966, and over 75% ot those were employed (MDTA Amendments:55). Similarly, in 1965 it was reported that 11,000 predominantly nonwhite women had completed upgrading courses in 1962 and 1963 under MDTA. Over 65% of these previously unemployed women were employed by the end of 1963, mostly in occupations related to their training (Occupational Training of Women in the United States:574). Seemingly, this carefully planned training opened the door to suitable job opportunities and helped the women trainees develop skills to meet shifting labor demands.

But the occupations for which these women were trained must be examined. Prior to March 1964, between 12-13% of the women were trained as licensed practical nurses. But over 50% of the women trainees received training in clerical work, a traditional female occupation. Most other women were trained as sewing machine operators or for other types of semiskilled work. While training did lead to an increase in earnings, it usually did not result in a well-paying job or one with ample prospects for advancement. Furthermore, the Manpower Administration (MA) had to step up its efforts to ensure that women received equal treatment in the work place. The MA was also aware that many female trainees in manpower programs, like women workers generally, were placed into jobs with salaries much lower than that of men (In the Manner of Rosie the Riveter:27).

A more descriptive account of an MDTA failure was reported in 1970. Of 5,541 trainees enrolled in MDTA institutional training courses in New York state during 1969, 28% failed to complete the training. Over 50% of the trainees who dropped out did so in the first two months of training, and nearly 75% dropped out in the first three months. By occupational categories, dropout rates ranged from 19% in benchwork courses to 37% in machine trades courses. Furthermore, three occupational categories--machine trades, services, and structural work—showed a common pattern: over 40% of the dropouts left in their first month, nearly 75% within two months, and over 85% within three months. Overall, 29% in MDTA OJT programs and 89% in the WIN program failed to successfully complete their training. In addition, in comparison with other New York state programs and elsewhere, the 28% dropout rate was not unusual (New York State Department of Labor:4).

Other problems surrounding private sector employment and training programs involved the difficulty of independently evaluating MDTA. An example of such problems occurred in the San Francisco Bay area in 1963, where a MDTA OJT program was evaluated. All participants in this program who did not fit into the "disadvantaged" category were screened out. Thus, this sample evaluation probably was not representative of the typical MDTA OJT program in San Francisco, or elsewhere. But the problem of defining the "disadvantaged" raised another methodological question. Since participants were not as disadvantated (in terms of education, race, and age) as youths in other MDTA programs considered, it was not surprising that their employment and earnings performance was better (Manpower Programs for Disadvantaged Youth:196). At any rate, the characteristics of sample subjects should be spelled out before presenting results, as well as defining who are the "disadvantaged."

Also, the generally accepted approach to program evaluation is to identify the program's objectives, then assess the degree, efficiency, and costs by which the objectives have been accomplished. The political processes within which these programs are developed, however, usually are not orderly. Objectives rarely are clearly defined, and experiences often expose the unreality of original assumptions. Furthermore, economic and other conditions are subject to continual and sometimes drastic changes. Thus, even though these technical problems do not greatly challenge the conceptual validity of cost-benefit analysis and other statistical analyses, they do call into question its current usefulness (Mangum:5).

Of course, NAB/JOBS programs were afflicted by both similar and different problems. For instance, the NAB had difficulties in expanding employment opportunities in the private sector under its 1968 summer program. The NAB, which at that time had local affiliates in 50 cities, undertook to provide 200,000 summer jobs in private industry for disadvantaged youths. Data were available from only 20 cities, but they still accounted for over 75% of the NAB goals. In these 20 cities the actual hires were 90,700, or less than 60% of the target (Youth Employment Programs in the U.S.:510). These figures coincided with official NAB estimates released in August 1968, which indicated that actual hires totaled about 50% of the 100,000 goal, with the summer more than half over. In addition, while priority was given to blacks and other minority youths, many of the openings were not new jobs.

A problem similar to one encountered in MDTA occurred in 50 metropolitan areas across the country under the JOBS program. In 1969, business chains hired and trained nearly 5000 disadvantaged individuals in a wide variety of clerical, sales, merchandising, managerial, and warehouse occupations. Department stores and department store chains received a federal investment of $5.3 million to train 2175 hard-core jobless. Supermarkets received a federal investment of $8 million to train 2515 unemployed individuals. While short-run results were favorable, it is not likely that training in the long-run was generalizable to higher skilled jobs. And if we are to entertain assertions that psychological and sociological factors (e.g., relationships with coworkers, work habits, stability, etc.) receive insufficient attention, then we must question whether trainees simply learned to work or learned a skill to apply to work. Furthermore, it must be defined how qualitative variables will be measured and assessed.

Along a different dimension, many companies embarked on a NAB JOBS program without an understanding of whom their efforts would serve or how it aligned with their capabilities to serve. They were further confused by guideline interpretations that varied widely and changed without notice. Thus, they were constantly in a position of second-guessing the status of affairs from one region to another, and from one political climate to another. Consequently, the frantic, last-minute assignments reduced the tangible benefits to private industry. Coupled with the extreme emphasis on client retention, it is not surprising that many JOBS contracts quickly deteriorated into absurd numbers games.

It is likely that private sector institutions and organizations were better able to survey labor markets and gauge labor demand than public sector institutions. Private sector organizations were also probably more adept at determining where trainees were needed. After all, one would expect that their intake and screening procedures would be more efficient than those utilized in the public sector. Moreover, private sector employment and training programs probably sponsored more practical training programs than those initiated in the public sector. Coupled with much lower costs per trainee, it may be asserted that private sector programs were ultimately successful.

With respect to placement results, one must be skeptical because less is known than what appears in official reports. It has often been asserted that OJT resulted in successful placement, and that institutional training was similarly effective. But with no clear-cut definition of "successful" and an absence of experimental designs, it is difficult to speculate about short-term and long-term results. It was also asserted that many trainees needed support services, and that such services explained the qualitative differences between trainees. But not only are such differences difficult to measure, but with the large variability existing between programs, it is difficult to draw any broad conclusions. Finally, there is little information on whether training was related only to the interests and expertise of the private institutions involved (specific training) or whether the skills learned were transferable (general training). Until the issues are more thoroughly dealt with, no specific, concrete conclusions can validly be drawn.

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CHAPTER III

PRIVATE SECTOR INVOLVEMENT IN THE MANPOWER DEVELOPMENT AREA

47

A. Introduction

The Comprehensive Employment and Training Act (CETA) of 1973, a "$9 billion annual Federal grant program to states and localities for the training and hiring of economically disadvantaged unemployed persons,"[1] introduced an entirely new concept in the planning, funding and operating of employment and training programs. The most notable difference was the new emphasis on decentralization of the decision making process from the federal to the local level. Though CETA operates under guidelines set up by the U.S. Department of Labor and the Congress, substantial latitude is given to local prime sponsors in formulating responses "to deal with one of our nation's most intractable social and economic problems: equiping the economically disadvantaged to play a constructive role in society by moving from a status of dependency on public aid to gainful employment and tax-paying status."[2] The impetus for this change was the belief that local officials could best determine both the manpower development needs of the community and the best way to go about satisfying them. To meet this end, a variety of programs were developed at the local level, though predominantly centered on public employment job programs. Congress, unhappy with the shift away from unsubsidized private sector employment, authorized a reorganization of CETA in 1978. It was hoped that the change, of which the Private Sector Initiative Program (PSIP) was a part, would bring CETA back to its original intent--to serve the hardcore (structurally) unemployed.

B. Government Involvement in PSIP

> Employment and training programs play an essential role in modern economics. They reduce the hardships of downturns in the business cycle by providing income to unemployed workers. They set the stage for economic recovery by building and maintaining worker skills. They help restrain inflation by reducing shortages of skilled workers and by reducing reliance on welfare, unemployed benefits and other transfer programs which add to consumption but not to production.
>
> *But the most permanent and important role of employment and training programs is to help develop and maintain a healthy labor market.* This means helping both employers and workers meet each other's needs. Employers must have access to a supply of trained, reliable workers. Workers must have the opportunity to develop their skills and obtain stable jobs which provide adequate compensation.
>
> --"In Partnership With Business," *DOL White Paper* on the Private Sector Initiative Program, March 6, 1979 (original emphasis).

Although this assertion may seem self-evident, the fact that such a policy statement would be issued at all in 1979 is "a sign that our nation's manpower programs have not been functioning in the manner envisioned by their creators in the 1960s."[3] Since 1978 there has been a concerted effort by the federal government to forge a new partnership between public and private organizations at the local level for training and hiring the structurally unemployed. Thus, this recent move toward private sector involvement under

Title VII of CETA (PSIP) is a means by which CETA plans to provide services to both its clients and private industry while establishing direct links with the private sector. According to the 1979 Employment and Training Report of the President, it was hoped that PSIP could "(1) increase employment and training opportunities for CETA participants, (2) establish private sector councils . . . (called PICs) . . . to work with prime sponsors to plan training and placement activities directed toward private sector employers and (3) provide a vehicle for shifting CETA's current emphasis from subsidized employment to the absorption of the unemployed in the private sector."[4]

Why is it desirable to "commission" the private sector to provide employment and training programs? The National Commission on Manpower Policy cites two reasons for the desirability.[5] First, subsidized employment during training as well as other forms of assistance that occur under private sector auspices may have "considerable potential" for facilitating the eventual employment of many target group members in unsubsidized private sector jobs. The report asserts that this will occur because, unlike public sector-run programs, the experience gained in the private sector job will be more relevant, and thus the transitional problems of the participants will be reduced. Second, the report states that the existing and potential capabilities of the private sector to operate employment and training programs make such an approach not only attractive but feasible. However, the report notes that the employers must have incentives to participate in such programs because of (1) antiemployment and training distortions, (2) employers' fears of high worker turnover, (3) additional training costs incurred, and (4) the self-interest of private employers (a subsidy would provide an immediate financial reward for desired behavior). Thus, the desirability of private sector involvement in employment and training programs lies in the realism that such instruction lends to its participants which in turn enhances their employability.

As was noted in Chapter II, this is not the first federal initiative to involve private enterprise in training and hiring the structurally unemployed. Beginning with the MDTA in 1962 and continuing with NAB-JOBS in the late 60s and CETA in the 70s, there have been numerous initiatives in this regard (OJT, STIP, HIRE, and WIN are all examples). According to the Corporation for Public/Private Ventures, there have been three recurrent themes running through all these programs.[6] First, private employers have insisted on "job ready" participants (i.e., they want candidates with positive attitudes toward work). Second, business wants to minimize its involvement with government "red tape." Third, there is an absence of permanent institutions at the local level to develop the public/private partnership for employing the disadvantaged. Hence, in one way or another the 1978 reauthorization sought to address these issues and thus to foster increased involvement of the private sector in the employment and training area.

C. Business Involvement in PSIP

> This administration attaches great importance on strengthening linkages with the private sector . . . . We recognize that in the past government's relationship with the private sector has in some instances been marked by too much red tape and too little responsiveness.
>
> --Ernest Green, Asst. Secretary of Labor
> July 1979 brochure on PSIP

It has been reported that 80% of nonfarm wage and salary workers in the United States are employed in the private sector.[7] This Department of Labor monograph also noted that federally supported employment and training programs since their inception have given a high priority to preparing disadvantaged and unemployed persons to obtain regular, unsubsidized jobs with private employers. The problem has been how to get the private sector not only to participate but to be the innovative force for needed changes.

Cohn and Lewis point out that since the 1960s the nation has come to realize it has a problem of hardcore (structural) unemployment--potential workers who couldn't obtain employment despite the high labor demand at the time.[8] They state that many corporations, particularly in response to their own personnel requirements, came to believe that they had a social obligation to hire individuals whose personal characteristics would have previously made them unacceptable. Thus, there is no doubt that a tight labor market made many employers increasingly aware of the structurally unemployed and the need of large numbers of unemployed and underemployed minorities to acquire skills training. In "Job Development and Placement: CETA Program Models," it was reported that the increased exposure to this problem made many employers aware that exposing the low skills of the hardcore unemployed was just the tip of the iceberg.[9] There was a plethora of other reasons: illiteracy, poor health, low motivation, bad living situations, and arrest records, just to name a few. Without question the report asserts that this colored bureaucratic perceptions in a decidedly negative way.

The "manpower era" of the last 15 years has witnessed a development of new programs, each of which was a product of the learning process of serving the economically disenfranchised. The exemplary efforts of that period have contributed to altering the consciousness of employers, at least to the extent that they have attracted potential private sector participants. Though the specifics of these early successes are poorly documented, the Department of Labor has cited two causes of these results.[10] First, they addressed themselves to the employer's real world and, second, they treated their clients as real people with some responsibility for their own lives. The key is realism, toward both employers' and trainees' needs.

Since most training takes place in the private sector where information about manpower planning is most fragmentary, those involved in employment and training delivery must be cognizant of employers' desires and needs. For example, John Iacobelli points out that employers prefer the federal government to (1) collect and disseminate information, (2) lend financial assistance, (3) coordinate nationwide manpower training activities, and (4) set broad training policies.[11] What they don't want, according to the National Commission for Manpower Policy, is (1) "red tape," (2) politics, (3) insensitivity to their concerns, (4) uncertainty of funding, and (5) government intrusion in their prerogatives. Hence, the first step on the road to success is awareness of what is and is not desired of the government by the private sector.

It is evident that employers' attitudes toward training their regular workforce and training disadvantaged persons are at polar extremes. For the regular workforce the employer is willing to bear all the costs (or at least a large share) and conduct its own *training* on its own terms. But for the disadvantaged workers, industry demands government assistance. Iacobelli more clearly defines this "assistance" as (1) collection and dissemination of training information, (2) financing 50-75% of the training costs, and (3) leaving the training of specific skills in the employers' hands. This is attributed to the fact that, according to Iacobelli, industry fears the long-range consequences of a competitive disadvantage for future promotions if it floods its entry level jobs with disadvantaged workers.

An important element of this inducement is the financial support given to employers who train and hire the structurally unemployed. This funding (1) offsets the employers' higher labor costs, (2) relieves some of the burden on those who have already hired the disadvantaged, (3) motivates employers to train more disadvantaged, and (4) causes employers to create more jobs for the disadvantaged. It is important to note, however, that it has been reported that present extrinsic rewards have had little effect on motivating employers to either train or create more jobs for the disadvantaged.[12] Morley Gunderson points out that "government subsidy induces sponsoring companies to retain their trainees only insofar as the subsidy encourages the company to graduate the trainees. The subsidy does nothing to encourage the company to retain trainees once they graduate."[13] Thus, he concludes that since government controls the criteria needed to obtain a subsidy, it must take it upon themselves to correct the situation. He states that by making the subsidy conditional on the trainees' graduation, the government may be encouraging companies to keep undeserving people in the program. Hence, companies may be graduating trainees because it isn't necessary to retain the trainee to receive the subsidy. This suggests that to meet both government and private employers' desires, a subsidy should be related to retention as well as to the graduation of the trainees.

There have been numerous studies on the variables that are correlated with program success. David Lipsky, for instance, reports that the variables associated with the employer seem to be more crucial to the success of a manpower training program than the characteristics exhibited by the disadvantaged worker.[14] More specifically, he pointed out that employer size in particular appears to be the single most important factor related to trainee success. In addition, he cited unionization, high wages, stability of employment, support services, and "liberal" employer attitudes as all positively correlated to program success as measured by its retention rate. Similar results have been reported by Gunderson.[15] Thus, with the notable exception of sex, the personal characteristics of trainees are not as important as those of the employer for predicting a program's success.

Increased participation in the planning and administration of these programs may be a way of increasing the employer's odds for success. This "information-sharing" is an integral part of the strategy under the new Title VII. The Private Industry Councils (PICs), established as part of the PSIP, were to function in this regard. They were, in a real sense, a local partnership between the public and private sectors to promote increased hiring of the disadvantaged. PICs have a majority representation from business and industry, including small and minority businesses. Organized labor, community based organizations, and educational institutions are also represented. PICs can take a number of different forms suited to local conditions and can sponsor a wide variety of programs and activities to carry out their mission. A significant departure from earlier employment and training programs, according to the Corporation for Public/Private Ventures, is that under Title VII public funds can be spent only on agreement between PIC members representing the public and private sectors.[16] Thus, "the councils, composed primarily of business representatives, are working to relate the labor needs of local private employers to employment and training activities and to interest local employers in the CETA program."[17] This should enhance the PIC's ability to (1) facilitate the training of economically disadvantaged individuals into meaningful private sector jobs, (2) help fill the need for skilled employees in private sector employment, and (3) provide job placement activities according to the skill level needs of the community. Therefore, the PIC may be a major factor in the increased involvement and success of private sector employers in the employment and training area.

D. Organized Labor's Involvement in PSIP

Organized labor has been on the fringe of the PSIP "establishment." Since its initial development, the PSIP originators have made it a predominantly business affair. An example of this attitude is the policy statement on labor's participation in the PICs (their participation is required, but there are no stated percentages). There is however an overriding realization that labor's fears must be assuaged so that their cooperation, if not active participation, can be enlisted.

There are five main concerns expressed by union leaders concerning employment and training programs for the economically disadvantaged. First, and most important, is the perceived threat to job security. In particular, job loss and loss of overtime. Second is the undesirable effects the poor work habits (i.e., absenteeism) of the trainees have on the rest of the workforce, according to labor leaders. Third, Drotning and Lipsky point out that 33% of those who hadn't participated in such programs felt it would require constant supervision, thus reflecting a negative bias toward the trainees.[18] Fourth, there is concern about the potentially harmful effects on present employees of large-scale subsidies to private employers. ("The labor movement has always been leery of public activity which might induce employers to accept subsidies for hiring new workers in place of existing workers."[19]) Fifth and finally, "labor is . . . on record expressing its concerns that the Federal funds not be used to assist the hiring of persons who, in labor's view, would have been hired without subsidy."[20]

Thus, organized labor has become involved. Their representation on local PICs has (1) helped alleviate their suspicions that the new CETA program would result in the weakening of the job security position of its members, and (2) gotten themselves involved by lending technical assistance in the formulation and implementation of various apprenticeship programs. In sum, their participation has led to a more effective and coordinated private sector response to the problem of structural unemployment.

E. Conclusion

There are several hundred thousand small businesses (500 or less employees) in the United States. The National Commission on Manpower Policy reports that most of the new jobs added to the economy in recent years have come from this segment of the market. There is no doubt then that, if we are to succeed, we must enlist their help as never before. All of the aforementioned organizations have a part to play in this strengthening of the private sector's involvement in employment and training programs. There are a number of potential areas in which these organizations can provide a vital service. First, they can disseminate information. This can be perceived as a "marketing" function. It is important to note that the various organizational structures involved in the PSIP enable the programs to be communicated at the national, state, and local level. There is also no doubt that this "informational sharing" is an integral part of the strategy to successfully implement the new Title VII. Second, they analyze, synthesize, and coordinate the needs of the private sector, interpreting such needs into programs. The collection of this information enables the prime sponsor to implement a program for which there is a demand. Third, they help in the formulation of policy documents at the national, state, and local levels. Thus, the extent of private sector involvement will be the determining factor in the success of PSIP as a response to structural unemployment.

Notes

[1] *Making the Connections: Private Industry Councils, A New Direction for CETA*. Year 2 Report. PSIP Documentation Project. Philadelphia: The Corporation for Public/Private Ventures, February 1980, p. 1.

[2] Ibid., p. 4.

[3] Ibid., p. 1.

[4] *1979 Employment and Training Report of the President*. Reports by the U.S. Departments of Labor and Health, Education and Welfare. Washington, DC: U.S. Government Printing Office, p. 7.

[5] *An Enlarged Role for the Private Sector in Federal Employment and Training Programs*. Fourth Annual Report to the President and the Congress of the National Commission for Manpower Policy. National Commission for Manpower Planning, Report #8. Washington, DC: U.S. Government Printing Office, December 1978, 134 pages.

[6] *Making the Connections*.

[7] *Involving Private Employers in CETA Programs: A Case Study*. U.S. Department of Labor, Employment and Training Administration. R&D Monograph #75. Washington, DC: U.S. Government Printing Office, 1979, 177 pages.

[8] Cohn, Elchanan and Morgan V. Lewis, "Employers' Experience in Retaining Hard Core Hires," *Industrial Relations*, 14:1 (February 1975), pp. 55-62.

[9] *Job Development and Placement: CETA Program Models*. U.S. Department of Labor, Employment and Training Administration. Washington, DC: U.S. Government Printing Office, 1978, 32 pages.

[10] Ibid.

[11] Iacobelli, John L, "A Survey of Employer Attitudes Toward Training the Disadvantaged," *Monthly Labor Review*, 93:6 (June 1970), pp. 51-56.

[12] Ibid.

[13] Gunderson, Morley, "The Impact of Government Training Subsidies," *Industrial Relations*, 13:3 (October 1974), pp. 319-324.

[14] Lipsky, David B., "Employer Role in Hard Core Trainee Success: Reply," Industrial Relations, 13:1 (February 1974), pp. 98-100.

[15] Gunderson, Morley, "Employer Role in Hard Core Trainee Success: Comment," Industrial Relations, 13:1 (February 1974), pp. 94-97.

[16] Making the Connections.

[17] 1979 Employment and Training Report, p. 7.

[18] Drotning, John E. and David Lipsky, "How Union Leaders View Job Training Programs," Monthly Labor Review, 94:4 (April 1971), pp. 65-66.

[19] Making the Connections, p. 51.

[20] Ibid., pp. 51-52.

CHAPTER IV

CASE STUDIES

This section contains the ten case studies that were finally selected as examples of "successful" private sector programs in the employment and training area. The organization of the cases is strictly alphabetical (first by type of occupation, then by state, and finally by city).

The format of the case studies themselves is arranged in the following way. First, a brief outline concerning some of the program's key descriptive variables will be reported. The topics that will be covered in this section include: program title, name of operating organization, contact persons, as well as some of the program's characteristics (e.g., number of people trained, retention rate, percent upgraded, etc.). After this initial orientation to the various projects, the case studies are broken down into 12 sections: I--Prime Sponsor Data, II--Program Identifiers, III--Budget Data, IV--Organizational Data and Background Information, V--Primary Information (Why and How), VI--Unique Features of the Program, VII--Major Goals and Objective, VIII--Program Description, IX--Negative Aspects of Program, X--Positive Aspects of Program, XI--Model Implementation Hints, and XII--Sources of Information.

It should be noted that three case studies (SER/Cessna Sheet Metal Training Program, Machinist Aerospace Training Program, and Moog Inc. Trades Training Program) rely entirely on the PSIP Information Bulletin. As is usually the case with mailed questionnaires, we did not have a 100% response rate. Hence, in order to meet the originally scheduled deadline, we decided to incotporate these programs, supplying what information we had at our disposal, into the report.

1. Clerical Program

PROGRAM TITLE: Ardan, Inc. Accounting Training Program
TYPE OF PROGRAM: Classroom and on-the-job training--for entry level accounting clerks
NAME OF OPERATING COMPANY/ORG.: Ardan, Inc. and Central Iowa Regional Association of Local Governments (CIRALG)
CONTACT PERSONS:
Name: Ms. Jeanine Decker
Assistant Director, Personnel
Address: Ardan, Inc.
2320 Euclid Avenue
DesMoines, Iowa 50310
Phone: (515) 281-9600
Name: Mr. Marlon Williams
Address: CIRALG (CETA Prime Sponsor)
104 East Locust
DesMoines, Iowa 50309
Phone: (515) 244-3257
STATUS: Ongoing

Number of people trained/enrolled: 32
Retention rate: 6/7
Percent upgraded: 30%

Average age: 25-30
Average educational level: 11-12th grade
Cost per person: $986.11
Average time between pay raises: 6 months
Average pay range of trainee: $3.20/hour
Funding level of program: $63,111
Sources of funding: CETA Title VII
Duration of program: 2 months
Dates of operation: 2/4/80-9/30/80
Type of training: classroom and OJT

I. Prime Sponsor Data

The "program type" was a consortium servicing the metropolitan DesMoines area (approx. 300,000 population). The labor market was reported as stable with an unemployment rate of about 5.6%. The minority population in the greater DesMoines area is approximately 3% of the total population (its unemployment rate is 15%).

II. Program Identifiers

Though the program does not have an upgrade component, it is capable of providing it. The private sector component is made up of unions, CBOs, private training institutions, business associations, as well as the local PIC. In addition, two oversight committees of 6-10 members each exist to review proposals that are eventually given to the council. Finally, their goal of making the program as useful as possible has led them to the conclusion that support services merely create an "unnatural environment" (and therefore are not offered).

III. Budget Data

This information was not available.

IV. Organizational Data and Background Information

Ardan Inc. serves a nationwide market and employs between 2500 and 5000 people. The firm was asked to participation in the program.

V. Primary Information (Why and How)

The company chose to participate in the program for three reasons: (1) financial inducement of subsidy, (2) equal employment considerations, and (3) social responsibility (singled out by the Assistant Director of Personnel as the primary reason they chose this method of training to meet their manpower needs). Finally, the timing of the decision was affected by the "critical need for trained accounting clerks during a sagging economy."

There were six steps in the implementation of the program: (1) Ardan Inc. is approached by the prime sponsor, (2) submits proposal, (3) secures funding, (4) hires trainer, (5) develops curriculum, and (6) starts training.

VI. Unique Features of Program

"Ardan's 8-week Accounting Training program guaranteed jobs as accounting clerks to CETA eligible graduates. The course instructor tailored the classroom curriculum and on-the-job training to effectively teach the skills most needed in their accounting department. After only 6 weeks, trainees matched or exceeded the productivity levels of experienced accounting staff."

VII. Major Program Goals and Objectives

"The purpose of the Ardan Accounting Program is to train disadvantaged community residents for jobs in the growing accounting field where there are often opportunities for career advancement, and to create an in-house pool of trained accounting staff to meet Ardan's corporate need for 100 or more accounting clerks each year."

VIII. Program Description

Ardan Inc. is a DesMoines based catalogue/showroom company. It operates an 8-week program to teach CETA eligibles the principles and procedures of basic accounting. "Trainees are hired by the company beginning the first day of training."

The following outline of Ardan's training arrangement was taken from a program information bulletin published by the PSIP Clearinghouse:

> In the first two weeks of classroom training, trainees learn principles in accounting, positive work habits and job retention skills. For the next three weeks trainees spend half the day continuing the classroom training and spend 1/2 a day in on-the-job training in the accounting department. For the last three weeks, trainees spend 6 hours in the accounting department and only 2 hours in class.
>
> During on-the-job training, the course instructor and department manager monitor the trainees' performance and offer feedback as necessary. During classroom hours, trainees can discuss accounting or personal problems. The instructor and the students together determine final job readiness. Ultimately, the student has to answer the question: "Am I ready for an 8-hour day?"
>
> Trainees were referred to Ardan through a variety of sources--the local job service, CIRALG, the CETA Prime Sponsor, state and local manpower organizations. A number of promising candidates appeared "off the streets" and were admitted into the program after being certified CETA-eligible.
>
> The first class included four minority participants, but only one male trainee. The second group, which began April 28, 1980, is half male, half female. At least six of the eight trainees are minorities, including two immigrants--one from Mexico and one from Vietnam. So far, most trainees are in their 20s.

The program coordinator and instructor selected candidates who seemed well-motivated, mentally alert and who "were not terrified of math." The math factor was determined subjectively through discussions with candidates, not through testing. Employment and personal reference checks were made on all trainees.

The curriculum was designed especially for the program by the course instructor, who has a background in retail accounting and human resources training. By analyzing the accounting clerks' tasks and consulting with accounting officials (the controller, assistant controller, accounts payable and expense manager, and budget director), she identified the skills and knowledge common to Ardan's procedures and incorporated them into the training. This developmental provess took up the first month of the program.

Following is an outline of the program's 200 hour classroom component (abbreviated when trainees requested added hours in OJT):

1. Basic Accounting--110 hours
   Basic math
   Accounting procedures
   Ardan accounting procedures
2. Office Procedures--50 hours
   Company policies
   Office behavior
   Personal development
   Job retention skills
3. Office Machines--40 hours
   Calculator
   Typewriter
   CRT-data entry

Ardan will monitor and evaluate training graduates for several months. Training will be considered effective when participants have been productive employees for six months.

According to the assistant director, "trainees were [then] placed in positions depending on where the need existed. They were rather well received by other employees." (Note: Assessment of participants' progress is made by (1) the first line supervisor, and (2) a special team set up specifically for that purpose. They are assessed periodically on productivity and adjustment.)

IX. Negative Aspects of Program

According to the assistant director of personnel, "it is sometimes very difficult to combat cultural differences and bad work habits--but we keep trying." (In addition, transportation was cited as a problem. However, Ardan is trying to arrange a bus stop and trainees have taken the initiative to form car pools to overcome this problem.)

X. Positive Aspects of Program

According to the PSIP bulletin, there were a number of positive aspects of the program. First, the initial trainees exceeded all of Ardan's expectations for productivity as measured by vouchers per hour. Second, the program trainees seemed to motivate the current staff to increase its productivity. Third, the accounts payable manager rated all the initial traineees as "excellent" and even thinks one or two show management potential. Finally, and probably most significantly, Ardan is so pleased with the success of the program that they have decided to continue it through 1981.

XI. Model Implementation Hints

There were seven elements that were believed to significantly enhance the program's chances for success. They were (1) strong support from PIC, (2) emphasis on punctuality, performance, and productivity, (3) tailored curriculum, (4) flexibility of program, (5) consistent application of employer policies, (6) "fearlessness" toward government programs (i.e., it really doesn't require all that much paperwork), and (7) availability of substitute for instructor in case of illness.

XII. Sources of Information

1) Employment and Training Institute Questionnaire.

2) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC: May 1980.

3) Telephone conversations with the assistant director of personnel and local prime sponsor.

2. Clerical Program

PROGRAM TITLE	Merit Employers Clerical Enrichment Program	
TYPE OF PROGRAM:	Upgrading--clerical skills	
NAME OF OPERATING COMPANY/ORG.:	DesMoines (Iowa) Merit Employers Council	
CONTACT PERSON:	Name:	Ms. Mianne Stuart, President DesMoines Merit Employers Council Assistant Vice President, Personnel American Republic Insurance
	Address:	6th and Keo Streets DesMoines, Iowa 50334
	Phone:	(515) 245-2000
STATUS:	Ongoing	

Number of people trained/enrolled: 65
Retention rate: 100%
Percent upgraded: 100%
Average age: 30
Average educational level: high school graduate
Cost per person: $46
Average time between pay raises: 6 months

Average pay range of trainee: $3.10-$5/hour
Funding level of program: $2,990
Sources of funding: financed totally by employer
Duration of program: 1 month
Dates of operation: 2/80-present
Type of training: classroom

I. Prime Sponsor Data

The program was citywide, servicing the metropolitan DesMoines area (approximately 300,000 population). The labor market was reported as stable with an unemployment rate of about 5.6%. The minority population in the greater DesMoines area is approximately 3% of the total population (its unemployment rate is 15%).

II. Program Identifiers

This program contains an upgrade component which, however, only benefits CETA eligibles in a secondary way (hire CETA eligibles in positions left vacant by employee who was upgraded). The private sector component is made up of unions and area employers. Considering the program, it is not surprising to find no oversight committees or support services.

III. Budget Data

The only financial cost is $46 per employee trained (100% for training) paid by the employer.

IV. Organizational Data and Background Information

DesMoines Merit Employers Council is a local consortium of 35 employees. (The companies that participated in the Clerical Enrichment Program had been invited.)

V. Primary Information (Why and How)

Two reasons were cited for the firms' participation: (1) social responsibility, and (2) equal employment considerations. The council chose this particular method to meet its members personnel needs after consultation with the National Alliance of Businesses (NAB). In addition, the NAB helped develop a program to arrange and administer upgrading projects through various member employers.

VI. Unique Features of Program

According to the PSIP information bulletin: "Merit Employers Clerical Enrichment Program is an inexpensive, short-term program designed to effectively increase the clerical skill levels of existing employees of several firms within the DesMoines area. The program is designed, administered and funded by a consortium of local employers. Through individualized instruction provided by the local public school system, employees have dramatically upgraded their clerical skills, thereby increasing their work productivity. The program has opened a useful dialogue between DesMoines business and education leaders."

VII. Major Program Goals and Objectives

The PSIP information bulletin states: "The Merit Employers program seeks to increase the productivity of entry level workers to fill the critical need for trained clerical personnel in the DesMoines area, and to assist entry level clerical workers to improve their skills and upward mobility."

VIII. Program Description

Although the DesMoines Merit Employers Council is not directly involved in CETA (its individual employers are), according to its president it does provide CETA openings indirectly by upgrading existing employees and thereby (through promotions) leaving openings for CETA eligibles.

The following outline of the Merit Employers Clerical Enrichment Program's training arrangement was taken from a program information bulletin published by the PSIP Clearinghouse:

> Merit Employers began in the late 60s, when approximately 10 Des Moines firms in the banking, utility and insurance businesses came together to help train and employ disadvantaged area residents. The employer-consortium hired an instructor and operated clerical training programs for newly-hired disadvantaged employees. Later, when the National Alliance of Business expanded to include medium-sized cities such as Des Moines, the group disbanded, with most members joining NAB.
>
> Approximately 2 years ago, however, Merit Employers emerged again to address a common problem--the shortage of well-trained clerical personnel in the DesMoines area. The group also sought to help entry level workers develop better job skills and increase earning ability. Membership in the DesMoines Merit Employers Council has increased to 35--with two or three new members joining each month.
>
> The new Merit Employers designed and operated a clerical skills pilot project during the winter of 1978-79. The classroom program, which cost $85 per participant, was held afternoons and taught by a community college instructor. Results were so dramatic--50% skill increases in some cases--that employers decided to establish a permanent program.
>
> For its ongoing program, Merit requested proposals from the local community college and the public school system. Merit decided in favor of the public school, whose facilities are located in the downtown area where most employers are located. The school system bills participating employers $46 per program enrollee.
>
> Program trainees are recommended directly by employers and are not required to meet any specific eligibility requirements. Approximately two minorities have participated in each of the cycles. Age and job experience vary enormously. Participants have ranged in age from 18 to 50 years; job experience has ranged from several months to 28 years. But participants cluster around the age of 30.

The course instructor has had 10 years teaching experience in secondary, junior college and adult education environments, and has 6,000 hours business experience working as a secretary.

Trainees attend class from 1:00-4:00 p.m. each afternoon for 3 weeks. A cycle is scheduled each month from September through May. Because of the popularity of the program, employers are limited to one participant per cycle. If there are vacant slots, employers can send added participants.

The Clerical Enrichment program begins with a full day of testing in the various skill areas. It is noteworthy that, according to the instructor, no student has ever passed the pre-test in math. Typically, students show strong improvement in that area. Following is a basic outline of the skill areas covered and the hours devoted to each:

Typing - 20
Business math (decimals, fractions, percentages) - 10
Human relations training - 5
Calculator skills - 5
Business English - 5

Before classes begin, the employers prepare a biographical sketch and a description of the participant's abilities. The instructor adjusts the basic program to individual needs. For example, some students concentrate on typing, while others spend more time on business math or English. Students sometimes set their own skill improvement goals with the trainer or with their employer.

Participants receive a certificate upon completion and the instructor prepares a written evaluation of each trainee. The instructor also discussed the trainee's progress with either a supervisor, department or personnel manager, or in some cases, with the company president.

(Note: Assessment of participants' progress is made by a certified teacher. They are assessed periodically through in-class examinations.)

IX. Negative Aspects of Program

There have been two problems in the program to date. First, transportation to the classroom sometimes presents a problem. This has been solved by employers sending trainees to class by cab at company expense. Second, there has been a problem of classroom access. The three rooms needed (typing room, classroom, and computer room) have not always been available when needed.

X. Positive Aspects of Program

According to the president of the DesMoines Merit Employers Council and the assistant vice president of personnel at American Republic Insurance Company, there have been a number of positive aspects of the program. Some of those cited included: (1) ease of administration, (2) low cost, (3) high retention rate (100%), (4) large average increases in skill rates (typing, 19.3 words per minute increase with no accuracy loss; calculator, 49.1% proficiency increase from pre-test to post-test; spelling, 16.5% proficiency increase from pre-test to post-test; and math, 46.4% proficiency increase from pre-test to post-test), and (4) high job promotion rate (80%).

XI. Model Implementation Hints

In addition to the assertion of the Employers Council president that the private employers' cooperation in meeting their employees' skill needs was a factor in the success of the program, the PSIP information bulletin reports the following factors that were key to the program's success:

> Consider the advantages of contracting with a local school system. The DesMoines public school system offers training at a very reasonable rate and is located within minutes of most participating employers.
>
> Start an employers' consortium. Begin with the personnel managers of 5-6 local businesses. Merit Employers will share their own experiences with interested groups.
>
> Keep it simple. Merit Employer's president thinks one reason for the program's success is its simple format. "It is virtually self-administering," she says.
>
> Ensure that the program is supported by all levels of the company from president to department supervisors. In some cases, the personnel manager is asking a department manager to send a worker away for 3 weeks; personnel needs to know that the top levels of the company support the program. The supervisor must also organize the department's work so that the participant's training will not disrupt normal work flow.

XII. Sources of Information

1) Employment and Training Institute Questionnaire.
2) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC: May 1980.
3) Telephone conversations with the assistant vice president of personnel at American Republic Insurance Company and the president of the DesMoines Merit Employers Council.

3. Craft Program

PROGRAM TITLE:	Pre Apprenticeship Program for CETA Eligibles-- Associated Builders and Contractors	
TYPE OF PROGRAM:	Preapprenticeship--construction	
NAME OF OPERATING COMPANY/ORG.:	Associated Builders and Contractors Inc.	
CONTACT PERSON:	Name:	Mary Greer Pre-Apprenticeship Coordinator
	Address:	1260 Palmetto Avenue Winter Park, Florida 32789
	Phone:	(305) 628-2070
STATUS:	Ongoing	

Number of people trained/enrolled: 60
Retention rate: NA
Percent upgraded: 100%
Average age: between 21-25
Average educational level: between 11th and 12th grades
Cost per person: $175/year paid by apprentice's employer
Average time between pay raises: 3 months
Average pay range of trainee: $3.75 to $4.25/hour
Funding level of program: approximately $153,000 .
Sources of funding: CETA-Title VII
Duration of program: 25 weeks
Dates of operation: FY 79-80, 80-81
Type of training: Classroom and OJT

I. Prime Sponsor Data

The prime sponsor is a consortium servicing the metropolitan Orlando area (approximate population, 730,000). The labor market was reported as expanding. ("Unemployment rate" and "percent minority" were not supplied.)

II. Program Identifiers

This program does have an upgrade component. The private sector component of the program is made up of specific area employers and business associations in the construction industry (represented by the Associated Builders and Contractors Inc.). There are two oversight committees that exist, each having 6-10 members. Support services are offered.

III. Budget Data

The funding for the basic training and funding was reported as follows:

Administration	$20,670
Allowances	23,768
Wages	75,500
Fringes	N/A--assumed by employer
Training	7,680--classroom
Services	25,378

IV. Organizational Data and Background Information

Associated Builders and Contractors Inc. services a national area, although it employs less than 50 people locally. The organization was asked to participate in the Targeted Jobs Tax Credit Program (TJTC) and PSIP by the local PIC.

V. Primary Information (Why and How)

The reason that was cited for the firms' participation was simply "labor shortage." The firms chose this particular method to meet personnel needs because of "past experience in apprenticeship training." The program was initiated through contact between the local CETA prime sponsor and the local PIC.

VI. Unique Features of Program

It is unknown whether the program had a retention rate lower than the criteria originally established (60-70%). The (1) percentage of minorities involved (25%), and (2) the fact that apprentices in the program "stayed with the company longer than other employees within the same job classification" made it meet the subjective definition of a "successful" program.

In addition they state: "We are presently training over 300 apprentices in nine trades in the Central Florida area. The training period varies from two to four years, depending on the trade. The company for which the apprentice works pays $175.00 per year for the apprentice's training. Our apprenticeship program in its entirety is approved by the State Apprenticeship, Division of Labor, Florida Department of Labor and Employment Security. Several of our chapters throughout the nation have contracts with CETA such as the contract we are applying for and we presently are involved in a similar contract in which we have successfully placed and are training pre-apprentices."

VII. Major Program Goals and Objectives

According to the program's concept paper for CETA private industry funds, the organization's goals were:

> The specific goals and purposes of our organization are listed in Article Two of the Articles of Incorporation: Training of qualified craftsmen through apprenticeship training, pre-apprenticeship, and specialized field level and management level courses is a primary goal of the Central Florida Chapter of Associated Builders & Contractors, Inc.

This was to be accomplished in the following way:

1. Provide on-the-job training opportunities for participants in the construction industry as a pre-introduction to apprenticeship training.

2. Conduct training activities for specific trades in the building and construction industry combined with related technical instructions.

3. Assist in the recruitment and placement for participants, combined with supportive services in meeting minimum requirements to enter a registered apprenticeship program.

4. Provide pre-construction introduction training for 60 participants.

5. Statistical data involving the need and projections of skilled crafts in the local area.

VIII. Program Description

According to the program's concept paper, the training arrangement and design is as follows:

a. The program will be directed at persons 18 years and older, economically disadvantaged, unemployed, or underemployed, for the purpose of providing them with the necessary training to successfully qualify to enter a formal apprenticeship program or permanent employment in the construction industry.

b. The program will be located in Orange County, Florida.

c. The program will be supervised by Associated Builders & Contractors, Inc., a nationwide organization serving the merit shop construction industry. Central Florida ABC is presently training over 300 apprentices in nine trades.

d. The contract period between the Orange County Manpower Council and Central Florida ABC will be from October 1, 1979, through September 30, 1980. The program will be closed on December 24, December 31, 1979, and May 25, and September 1, 1980.

e. A total of 60 trainees will benefit from the program. Upon successful completion of the program, the trainees will finish qualification procedures and be placed on a ranking list in their respective trade to be placed as an apprentice in an ongoing formal apprenticeship program. The program will be open-ended, allowing for the trainee to be pulled out of the program ahead of schedule and be placed in apprenticeship if his/her skills and abilities warrant.

f. Trainees who successfully complete the program and qualify for apprenticeship training will be given a maximum of six (6) months credit towards their formal apprenticeship training.

g. Selection of trainees will be according to CETA regulations, Central Florida ABC apprenticeship entry standards, and in cooperation with RTP Minority placement groups. At least 25% of the trainees will be minorities, if available.

ENTRY STANDARDS:
1. CETA eligible.
2. At least 18 years of age.
3. Physically capable of working in the trades applying for. A physical examination will be provided by a licensed medical practitioner. The Orange County Manpower Council will be responsible for payment of physicians.
4. In current possession of a Florida State Driver's license. Must own a vehicle capable of providing transportation to and from the job site and related training.

h. Each trainee will spend 40 hours per week working in his/her respective trade. The training cycle will begin October 1, 1979. October 1 through October 20, 1979, will be used to hire administrative personnel, order books and materials, plan curriculums, screen applicants, preparation, orientation, etc. Related training will begin on October 22 and trainees will start to work on October 23, 1979. No classes will be held on December 24, December 31, 1979, May 28, or September 1, 1980.

i. The trainees will spend 4 days per week, 32 hours, working on the job; and 1 day per week, 8 hours, in classroom related training. The trainees will attend related training on Mondays, with the classroom training to begin at 8:00 AM and complete at 4:30 PM, with 1/2 hour for lunch. The trainees will work on the job Tuesday, Wednesday, Thursday, and Friday. Participating employers will not be permitted to substitute OJT on Mondays for related classroom training.

j. There will be 60 trainees selected for one of the nine following trades in the construction field:

Carpentry
Electrical
Structural Steel
Sheet Metal
Plumbing
Roofing
Refrigeration Mechanic
Sprinkler Fitter
Cement Mason

k. The trainees on-the-job training will consist of:

1. Recognition of tools and equipment.
2. Basic knowledge of jobs related to the trade.
3. Learning of basic skills needed to work in respective trades.
4. Understanding of trade terminology.

l. The trainees' classroom related training will consist of open-ended, individualized instruction in the following:

1. Related math
2. OSHA and safety
3. First aid course--multimedia
4. Socialization and human relations
5. Trade theory (basic)
6. Basic welding course

m. Trainees that drop out will be replaced by qualified employees, if available, until May 1, 1980.

n. Any trainee missing two related training classes without due cause will be immediately dropped from the program. Due cause is defined as an emergency which includes a death in the immediate family or accident or illness accompanied by a doctor's excuse.

o. Any trainee missing 3 days' work (OJT) without due cause (as defined in n), will be immediately dropped from the program.

p. Excessive lateness to work (OJT) will not be tolerated. Excessive lateness in attending classroom related training will be considered an absence.

q. Veterans will be given primary consideration.

(Note: Assessment of participants' progress is made by the first line supervisor. They are assessed monthly by the supervisor. The evaluation must be reviewed and signed by the trainee.)

IX. Negative Aspects of Program

There were five reported problems experienced by the program's administrators. Three-fifths (60%) of these problems were caused by the county administration. The problems were: (1) excessive paperwork, (2) delays in payroll, and (3) inability to streamline procedures. Other problems cited by the preapprenticeship coordinator were: (1) bad work habits of some participants, and (2) processing persons through CETA intake (she felt there was "no remedy" for this).

X. Positive Aspects of the Program

According to the preapprenticeship coordinator, there have been a number of positive aspects attributable to the program. Those cited included: (1) lower training costs, (2) offering of job placement in addition to training, (3) "encourages employers to train [original emphasis] and take an interest in employees," (4) "channels good prospects to apprenticeship programs," and (5) the active recruitment of CETA eligibles.

It should be noted that they are in their third CETA training contract and, according to the program coordinator, "have made changes to better serve the contractors, trainees, and the community."

XI. Model Implementation Hints

Three areas were cited as critical to the program's success: (1) good communication with county agencies, (2) understanding of needs of the prospective trainees and employers, and (3) good internal control. In addition, the coordinator said the program could be improved by (1) better organization in county agencies, and (2) more participation from employers.

XII. Sources of Information

1) Employment and Training Institute Questionnaire.

2) Concept paper for CETA Private Industry Funds--Preapprenticeship Program for CETA Eligibles, Associated Builders and Contractors: Winter Park, Florida, 1979.

4. Craft Program

PROGRAM: Pre-Apprenticeship Program in the Building Trades
TYPE OF PROGRAM: Preapprenticeship training for youth--carpentry, electrical work, plumbing, sheet metal
NAME OF OPERATING COMPANY/ORG.: Prince George's County, Maryland Comprehensive Employment and Training Administration (CETA) in conjunction with the Washington Building and Construction Trades Council; the AFL-CIO, and Prince George's County Housing Authority
CONTACT PERSON: Name: Alan Luba
CETA Planner

Address: County Administration Building
14601 Main Street
Upper Marlboro, Maryland 20708
Phone: (301) 952-4074

STATUS: Ongoing

Number of people trained/enrolled: 33
Retention rate: 90%
Percent upgraded: 92%
Average age: between 18-21
Average educational level: between 11th & 12th
Cost per person: $7,900
Average time between pay raises: NA
Average pay range of trainee: NA
Funding level of program: $160,000
Sources of funding: CETA Title VII
Duration of program: 6 months
Date of operation: NA
Type of training: Classroom and OJT

I. Prime Sponsor Data

The prime sponsor was the Prince George's County prime sponsor in an urban area of Maryland. The labor market was reported as expanding with an unemployment rate of 5% and a minority population of 30% (population in the county is 660,000 according to the 1980 census).

II. Program Identifiers

This program does not contain an upgrade component, although hire commitments exist from participating employers. No oversight committees exist. Support services are offered.

III. Budget Data

A breakdown of the budget was as follows:

Administration	$ 10,000
Allowances	50,000
Wages, fringes, training & services	100,000

IV. Organization Data and Background Information

This information was not reported.

V. Primary Information (Why and How)

This information was not reported.

VI. Unique Features of the Program

The PSIP information bulletin reported the following concerning the unique aspects of the Pre-Apprenticeship Training for Construction Trades in Prince George's County:

UNIQUE FEATURES OF PROGRAM: The Pre-Apprenticeship Program in the Building Trades represents an example of successful cooperation between the local CETA agency, the local housing authority, the private sector, and organized labor. The program emphasizes "hands-on" experience through the rehabilitation of deteriorated single-family dwellings. Trainees work under the supervision of union instructors in preparation for union apprenticeships. The current program was the first to be selected for funding by the local Private Industry Council. The 1979 program achieved a 90% placement rate.

VII. Major Program Goals and Objectives

The PSIP bulletin summarizes the program's goals as follows:

> The program's primary goal is to provide residents of Prince George's County--especially minority women and youth--a competitive advantage in qualifying for union apprenticeship positions by teaching them basic construction and building craft skills. Secondary goals are to rehabilitate deteriorated housing units and to employ experienced union journeymen to instruct trainees.

VIII. Program Description

Prince George's County six-month Pre-Apprenticeship program provides unemployed and underemployed youth with four weeks of classroom and 20 weeks of on-site training in carpentry, electrical work, plumbing and sheet metal work. Trainees choose one area of expertise on which they would like to concentrate. Each cycle trains approximately 16-20 youths, allowing a five-to-one instructor/student ratio.

The County CETA Administration subcontracts for services from the Prince George's County Housing Authority, and the Metropolitan Washington Building and Construction Trades Council, an umbrella group of local building and craft unions.

The Housing Authority provides the job sites, which the trainees restore during the hands-on experience phase of the program. The Housing Authority also coordinates work schedules and purchases building materials.

The Building Trades Council recruits and hires union journeymen from each of the four trades to serve as classroom instructors and on-site training supervisors. The Council also plays a major role in recruiting participants and placing graduates at the program's completion.

The Human Resources Development Institute (HRDI), the employment and training arm of the AFL-CIO, provides assistance at no cost to the program in areas of recruitment, trainee selection, job development and placement assistance.

Participants are recruited from among Prince George's County CETA clients. The program is advertised through Public Service Announcements on radio and television. Referrals to the program are made from the County's three employment and training centers; from New Alternatives, a county-run career counseling center for women; from the Building Trades Council, and from HRDI.

Trainees must meet the general criteria for apprenticeship opportunities and Title VII criteria for the economically disadvantaged. They must be between the ages of 18 and 21 and must take an occupational interest inventory. Final selection is made by a committee of CETA personnel, representatives from the Building Council and from HRDI.

The program's four-week classroom component is scheduled at various times throughout the six-month program, depending on the weather and the work-site training schedule. Since the 1980 program will begin in winter, the classroom training will take place at the program's beginning. During classroom training, participants learn about the tools, materials, and skills of their trade; safety, the history of the trades, and the career opportunities available within the construction industry. They also learn math and reading as applied to building tasks, i.e., how to read a blueprint or measure the angle of a roof.

During the hands-on phase of the program, participants are assigned to a four or five member work crew in one of the trades and begin work under the supervision of a journeyman. Some typical rehabilitation projects include: changing electrical wiring, installing new plumbing systems; hanging dry wall, spackling, painting, and extensive exterior work.

In 1979, 91% of the youth who completed the program were minorities. Every trainee who completed the program qualified for apprenticeship.
--PSIP Information Bulletin

(Note: Assessment of participants' progress is made by a special "team" set up specifically for that purpose. They are assessed periodically on skill attainment.)

IX. Negative Aspects of Program

Defining and coordinating the roles appropriate to each of the various agencies was one difficult element of this program. Union instructors, for example, resented getting project advice from county planners. In some cases, the Housing Authority and the union instructors disagreed about scheduling. The CETA Project Manager tried to persuade the parties to put their differences aside and recall the program's people-oriented goals. Usually, that worked.

Early in the program, the young participants tended to test out authority and, in some cases, to rebel against it. After a few weeks, the union instructors succeeded in establishing the rules and setting limits appropriate to their roles as teachers. By the end of the program, students and instructors had established a positive working relationship.

> In order to provide the best rehabilitation services, trainees often have to perform repair jobs several times until they are completed to building code, and to the satisfaction of the journeymen/supervisor. Therefore, materials are being used at a higher rate than originally planned.
>
> --PSIP Information Bulletin

X. Positive Aspects of Program

The Private Sector Planner for the Prince George's County CETA program cited three areas where "success" had been attained: (1) high placement rate, (2) lower dropout rate of program trainees relative to other trainees, and (3) increased cooperation between union-government and management.

The PSIP reported two additional areas of "success": (1) five homes had been partially or completely restored, and (2) the program had "limited success in recruiting and training women" (female recruits are being sought with greater emphasis).

XI. Model Implementation Hints

> Strong union support and the close cooperation among the CETA Administration, the Washington Building and Construction Trades Council, and the Housing Authority are vital to the success of this Pre-Apprenticeship program. Union support is especially helpful in providing apprenticeship openings for program graduates.

In addition:

> Foster good relationships with the unions. Get commitments for apprenticeship openings. Select good properties to rehabilitate.
>
> Be sure the program is well-financed. This kind of training can be very expensive, primarily due to the cost and amount of materials used in the rehabilitation process.
>
> --PSIP Information Bulletin

5. Operative Program

Pending submission of Employment and Training Institute Questionnaire, San Diego information obtained solely from PSIP bulletin.

PROGRAM TITLE:	Machinist Aerospace Training Program
TYPE OF PROGRAM:	Skill Training Improvement Program (STIP); On the Job Training; Machine Operator Training
NAME OF OPERATING COMPANY/ORG.:	The International Association of Machinist and Aerospace Workers (IAMAW); Convair, Division of General Dynamics; Solar Turbine International; Rohr Industries; The San Diego Regional Employment & Training Consortium

CONTACT PERSON:	Name:	Ms. June Singer Employee Services Administrator
	Address:	Solar Turbines International 2200 Pacific Coast Highway San Diego, California
	Phone:	(714) 238-6767
STATUS:	Ongoing	

Number of people trained/enrolled: 290
Retention rate: NA
Percent Upgraded: NA
Average age: NA
Average educational level: At least 8th grade
Cost per person: NA
Average time between pay raises: NA
Average pay range of trainees: NA
Funding level of program: $1,321,000
Sources of funding: CETA, Title IIB
Duration of program: 7 months
Dates of operation: 12/78-3/80
Type of training: Classroom and OJT

I. Prime Sponsor Data

This information is not yet available.

II. Program Identifiers

This information is not yet available.

III. Budget Data

This information is not yet available.

IV. Organizational Data and Background Information

This information is not yet available.

V. Primary Information (Why and How)

This information is not yet available.

VI. Unique Features of the Program

This training program represents the joint effort of three major corporations who had previously competed with each other for qualified, trained employees; and who have now combined forces to fulfill their personnel needs. Also inherent in the program is the cooperation of a major union which sees opportunities to gain new membership, to provide input into employee training, and to assist disadvantaged persons in securing unsubsidized employment.

VII. Major Program Goals and Objectives

The major goal of the Aerospace Machinist Training Program is to provide qualified, competent machine operators to fill the escalating manpower needs of three major corporations in the San Diego area. The program also seeks to reduce the 6% unemployment rate in the San Diego area and to provide disadvantaged persons training in a field which pays good salaries and offers varied employment opportunities.

VIII. Program Description

This training program arose out of a desperate need on the part of Solar, Rohr and Convair for qualified machinists. The companies competed with each other for every qualified machine operator who was seeking employment. The companies even sent recruiting teams all over the United States hoping to convince employees to move to San Diego. (This personnel need seemed incongruous in an area that had a 6%+ unemployment rate.)

June Singer, executive for Solar Turbines International, recognized the mutual needs of the companies and brought them together to discuss the possibility of developing a training program using CETA funds. The unifying factor of all the three companies was one union in common, the International Association of Machinists and Aerospace Workers (IAMAW). It was, therefore, decided that the union would serve as the primary contractor to the CETA prime sponsor, the San Diego Regional Employment and Training Consortium.

A Skill Training Improvement Program (STIP) oversight committee was formed to design the program curriculum and to field problems as they arose during the implementation of the training. Representatives from all three companies and the IAMAW serve on the committee.

Prospective enrollees were first pre-screened by the local CETA office, the Manpower Area Advisory Council (MAAC). Clients were determined eligible for the CETA program and were tested in basic math and reading skills. Those who had at least an eighth grade level in math and reading were referred to the local union office.

Two manpower specialists were employed by the union to further screen the program condidates. Each specialist became thoroughly familiar with the corporation's hiring requirements and employee expectations. The specialists determined which candidate would be best suited to work with which company. The candidates had their final interviews in the employment offices of the selected company. When a trainee was accepted into the program, he/she knew that upon successful completion, he/she would be hired by that company.

The machinist training included classroom instruction, laboratory practice and on-the-job training. Trainees attended an eight week classroom/lab component, where they learned the basics of machine operations. They were then evaluated by their prospective employers and received 16 to 20 weeks of on-the-job training at the specific plant site.

The classroom/lab training was held at the Convair plant. (The last class session ended on August 27, 1979.) Training was held at Convair since they had the greatest need for personnel, and already had a training site established. The program paid $452 per month to Convair for rental of the training facility. Solar and Rohr donated the raw materials that were used in the training.

Four instructors provided the classroom and laboratory instruction; one each from Solar and Rohr, and two from Convair. Each instructor taught the specific tolerances and machining requiements of his own company. The training program attempted, as closely as possible, to assign trainees to the instructor of their prospective employing company. Each instructor, however, was familiar with the requirements of the other firms. All instructors were qualified machinists with teaching certificates and training backgrounds.

The primary subjects covered in the classroom/theory component of the training were: blueprint reading, the metric system, metal properties relating to machining, use of tools, safety procedures, attitudes, attandance, and good work habits. In the laboratory, students practiced using various machining tools: semiautomatic grinder, lather, mill and various drills.

Attendance was stressed throughout the eight week probationary period, because absenteeism results in considerable losses in production. Students were dismissed from the program if they had more than five unexcused absences.

After five weeks of theory/lab instruction, the prospective employees' performance was evaluated by the instructors. If the employee showed progress and continued potential, they were scheduled to begin their on-the-job training. For 16 to 20 weeks, the employees received specific training at either Solar, Rohr, or Convair.

As each class completed their OJT, a small graduation ceremony was held. The trainees received a certificate of completion, a small gift, and became regular employees of one of the firms.

IX. Negative Aspects of Program

Some regular company employees expressed resentment against the CETA trainees. They were unhappy that the CETA enrollees were being offered an opportunity which was not available to them and felt the program amounted to discrimination in reverse. The union was extremely helpful in this situation. They helped to explain the purpose of the program to the employees, and, when applicable, offered other training assistance.

Because of the normal fluctuations of production lines, and material shortages, there were times when a trainee could not be placed on full-time machine work when the OJT was completed. The union agreed to allow the industry to place these people in other positions until production became sufficient to integrate them into the manufacturing process.

Some women found it difficult to make the transition to the industrial environment. They were unsure of how to handle the language, the environment, and treatment by their male supervisors. Both the companies and the union worked to educate the women on what to expect, and how to handle difficult situations with male supervisors.

One woman filed a complaint against the program with the Equal Employment Opportunity Commission when she was dismissed after the five-week evaluation period.

X. Positive Aspects of Program (Key Elements for Success)

One major element that has guaranteed the success of this program is each trainee's knowledge that there was a job waiting for him/her upon successful completion of the training. Even before the training began, the employee could identify himself as a member of a firm, learn from the firm's supervisors, and become familiar with that company's specific manufacturing procedures.

Cooperation and participation on the part of the union also contributed to the success of the program. The union served as primary contractor and liaison with the CETA prime sponsor, coordinating the training and providing assistance and guidance to the trainees.

A third key to success is the coordinating effort that was supplied by June Singer from Solar. Ms. Singer saw the program through from its inception to design and implementation. Cooperation and timely responses from five separate entities--Solar, Rohr, Convair, IAMAW, and CETA--would have been impossible without the support and moving force of this Solar representative.

XI. Model Implementation Hints

Don't break union contract, or union rules. Structure the training program to simulate normal operating proceudres. Involve the union wherever possible. Without union cooperation, the training could not succeed.

Identify the needs of your particular organization. Investigate to determine if other companies might have similar needs unless you can identify your own needs for large quantities of employees.

Tailor the program to the specific needs of the participants. Teach them only what they need to know; don't burden them with subjects which are not directly related to the work.

Be sure that industry has direct input into the selection and hiring of the participants, as well as the development of the program curriculum.

XII. Sources of Information

1) PSIP Program Information Bulletin, PSIP Clearninghouse, NAB, Washington, DC.

6. Operative Program

Pending submission of Employment and Training Institute Questionnaire, information obtained solely from the PSIP information bulletin.

PROGRAM TITLE:	SER/Cessna Sheet Metal Training Program	
TYPE OF PROGRAM:	Pre-employment Training Combined with Vestibule Training--Sheet Metal Worker	
NAME OF OPERATING COMPANY/ORG.:	SER, Jobs for Progress, Inc. and Cessna Aircraft/Wallace Division	
CONTACT PERSON:	Name:	Richard Lopez Executive Director, SER
	Address:	2700 N. Woodland Wichita, Kansas 67204
	Phone:	(316) 838-2293
STATUS:	Ongoing	

Number of people trained/enrolled: 713
Retention rate: 86%
Percent upgraded: NA
Average age: NA
Average education level: NA
Cost per person: $499
Average time between pay raises: NA
Average pay of trainee: NA
Funding level of program: NA (tuition paid per enrollee accepted)
Sources of funding: CETA Title IIB and VII
Duration of program: 3 weeks
Dates of operation: 7/78-present
Type of training: Classroom and OJT

I. Prime Sponsor Data: NA

II. Program Identifiers: NA

III. Budget Data: NA

IV. Organizational Data and Background Information: NA

V. Primary Information (Why & How): NA

VI. Unique Features of Program

This cooperative venture between SER and Cessna offers a unique approach to providing training to eligible participants of the Comprehensive Employment and Training Act (CETA). SER contracts with the Cessna training program to provide instruction in sheet metal assembly, and pays tuition for each trainee who is accepted into the program. SER views the Cessna training as one of its many training resources--e.g., public vocational schools, local skill centers, and private proprietary training schools. Cessna Aircraft is not obligated to hire the training graduates. Placement responsibility still ies with SER. However, the Cessna instructors do have the opportunity to offer employment to those students who successfully complete the program. Statistics show that Cessna has chosen to hire 86% of the program graduates.

Another unique approach to this training is the use of the SER Job Preparation Workshop (JPW). The JPW allows the clients to learn about the world of work, to decide if they are really interested in the Cessna training, and to allow the SER personnel to evaluate the trainees' likelihood of success in the training. In this way Cessna and SER successfully match students to the appropriate training facility.

VII. Major Program Goals and Objectives

The major goal of the training program is to provide sheet metal assembler training to the minority and disadvantaged population of the Wichita area, so that they may find full-time permanent employment at a respectable starting wage.

VIII. Program Description

This training program represents a joint venture of SER, Jobs for Progress, Inc., and the Cessna Aircraft Company, Wallace Division. SER (Service, Employment, Rehabilitation), Jobs for Progress, Inc., is a private nonprofit organization contracting for employment and training services to CETA prime sponsors throughout the country.

The SER/Cessna sheet metal training program began operations in July of 1978. SER contacted the Cessna Training Manager, Mr. George Rosendale, and began negotiations for the Cessna program to train clients from SER in sheet metal assembly.

Students for the program are referred to SER from all CETA agencies in the Wichita area and from the Cessna employment office. SER personnel certify the trainees for CETA eligibility and refer them to the local vocational/technical school for occupational testing. If the applicants score adequately on the tests, they are sent to the Cessna employment office to apply for the training. At this time, Cessna preliminarily screens the applicants and certifies them to participate in the program.

The training program itself contains two components: The Job Preparation Workshop (1 week); and the Cessna Training (2 weeks).

Job Preparation Workshop: This workshop, held on the premises of the Cessna plant, is intended to prepare the client for the world of work in general, and to provide specific information on the sheet metal industry. Topics included in this training are:

- ▪Basic Math--simple addition, subtraction, multiplication, and division; with emphasis on decimals and fractions.
- ▪Description of Tools--discussion and identification of different tools used in the sheet metal industry.

- Basic Blueprint-Reading.
- Attitudes--clients identify prejudices which they hold about jobs, supervisors, industrial work, and discuss what they can expect in an industrial environment.
- Communications--problem-solving techniques and advice to deal with communications problems which are typical in any work situation.
- Interviewing--interviewing techniques, how to sell yourself; the common mistakes people make in interviewing situations.
- Employment--resources for finding employment temporary work agencies, employment agencies, etc.
- Presentations--the Cessna Safety Manager and the Cessna Orientation Specialist discuss their respective topics with the trainees.

This segment of the training allows the SER instructor some time t evaluate trainees on many traits which are necessary for successful employment. In this way, clients who are really not interested drc out of the program and are not sent on to the Cessna instructors.

Cessna Training: This training lasts for two weeks and is held at the Cessna training center on-site at the plant. Workers are not trained on an actual production line, but in a facility specifically designated for education.

During the training, students become familiar with the care and use of standard sheet metal tools: e.g., snips, files, cutting tools, drills, riveting guns, and types of rivets. Students must complete nine specific work projects in order to show confidence and proficiency in the use of tools.

In the first project students, working on their own, drill nine holes in a diagonal line, and place rivets in these holes. Each project requires progressive skills and experience. The last project is known as a "family project." An actual production line item is produced where several people must contribute to its manufacture.

At any time during the training, the Cessna instructor may contact the SER counselor and discuss specific problems which a trainee might be experiencing. Before the instructor may dismiss a trainee from the training, he discusses the trainee problem with the SER counselor. The SER representative mediates the problem and a satisfactory solution is usually worked out. If the behavior of the trainee does not change, then the student is dismissed with full knowledge of SER.

Although trainees may be referred from several different CETA agencies, SER serves as the coordinating agent. The Cessna instructor interacts only with SER personnel. If an "other agency client" experiences problems in the training, the SER counselor interfaces with the sponsoring agency.

At the end of the training, the Cessna instructors recommend for hire those students whom they feel can work well at Cessna. The company did not make any hiring commitment when they contracted to train the SER clients. They had hoped to place 80% of the graduates with Cessna; statistics show that Cessna has hired 86% of the graduates.

IX. Negative Aspects of Program

When SER first contacted the Wichita CETA Prime Sponsor with the concept of using the Cessna training program as a training resource, there was initial reluctance and concern. The question was whether CETA funds could be paid to private industry for training purposes, not related to an OJT. After discussions with the Prime and Regional Department of Labor Office, it was decided that paying for the Cessna training was no different from paying for training provided by a proprietary, profit-making training school. Once this determination was made, the Wichita Prime agreed to fund.

Transportation remains a problem for trainees. No public transportation or bus lines are available to the plant. Therefore, only trainees with their own cars, or the resources to find car pools, are able to participate in the training, and subsequently to work at the Cessna facility.

When the program negotiations first began, Cessna was somewhat reluctant to participate since they had had previous experience with OJT contracts and other government programs. They had specific concerns which had to be dealt with. SER showed openness and flexibility to work out the following solutions to some of the problems that arose.

- Liability Insurance--Who is responsible?

  Since the trainees are being paid by CETA funds, and are part of SER, they are considered employees of the city of Wichita and are eligible for Workmen's Compensation. It was determined that if they sustained an injury while participating in the training program, they would file through Workmen's Compensation. If a trainee is injured on Cessna premises--not related to the training program, e.g., in the parking lot, on a tour of the plant, etc.--then they are treated as any plant visitor who was injured on Cessna property, and file with Cessna insurance.

- Access to Records--Who has access to what records?

  Cessna's previous contact with OJT contracts necessitated free access of any agency to the Affirmative Action files and programs of the company. SER was not interested in accessing these, or other files, and therefore did not insist on this disclosure. In addition, SER was providing many women and minorities to the Cessna employment process and were not heavily concerned about Affirmative Action.

- Discrimination Suits--Who is responsible?

  If a client felt that he/she were being discriminated against in the training program, who would be responsible? One woman was dismissed from the program because of poor attitudes and work habits. She filed a discrimination suit. The suit had to be filed with SER and the city of Wichita since she was considered an employee of the city and not of Cessna. The matter was satisfactorily settled before legal action was necessary.

X. Positive Aspects of Program

PROGRAM ADAPTATION IN OTHER LOCATIONS: SER has established a training program exactly like the Cessna program with Beech Aircraft, Inc. The program began in July of this year. Beech has hired 65% of the program graduates. For more information on this program, and other programs currently under negotiation, contact Mr. Nelson Escalante, SER, Wichita, Kansas (316) 838-2293.

XI. Model Implementation Hints

One important element for the success of this program was SER and Cessna's willingness to negotiate and discuss problems. No party laid down hard and fast rules which could not be bent or borken. Within an atmosphere of trust and respect, all problems were worked out to the mutual satisfaction of both parties.

Another important aspect of the success of the program is the Job Preparation Workshop. This workshop prepares the students for the work environment, allows them to find out if the training is appropriate for their needs; and allows SER to prescreen applicants before they are sent to Cessna for actual training. Once the trainee spend eight hours in the Cessna training, he is considered enrolled, and SER must pay the tuition cost. This means that there is responsibility on the part of both parties which keeps everyone committed to the program.

Another important element of the success of the program is the attitude of the Cessna corporate offices and instructors. They see each trainee as a potential employee, and as a successful person. They treat all trainees equally, whether they are from SER, or part of their own training program. All trainees must meet the same requirements. All trainees receive immediate feedback on their progress in the couse, and close follow-up.

One important aspect of this training program is that it is intended to meet the demands of a certain industry. The program curriculum must be sufficiently flexible to reflect change within the specific needs of the production line. Secondly, the program must be able to accommodate the manpower needs of the industry as they fluctuate.

It is also essential that the industry have input into the selection of trainees as they enter the training program, and as they enter employment. It is unreasonable to require the industry to hire all training graduates. Private industry must be an equal partner in the training and hiring processes.

XII. Sources of Information

1) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC.

7. Operative Program

PROGRAM TITLE: Skill Training Improvement Program (STIP)
Louisville, Mississippi
Comprehensive Employment and Training Act (CETA)
TYPE OF PROGRAM: Skill Training Improvement Program (STIP)
NAME OF OPERATING COMPANY/ORG.: Coordinated Systems & Training Company (CSTC) under contract to Taylor Machine Works, Inc. (TMW)
CONTACT PERSON: Name: Terese Lucier
Coordinated Systems & Training Company
Address: 950 Francis Place, Suite 213
Clayton, Missouri 63105
Phone: (314) 721-0690
or
Name: Glenn Hammer, Director
STIP Training Center
Address: P. O. Box 110
Highway 25 West
Louisville, Mississippi 39339
Phone: (601) 773-7883
STATUS: Ongoing

Number of people trained/enrolled: 158
Retention rate: 55% (however, this is higher than normal)
Percent upgraded: NA
Average age: 18-21
Average educational level: less than 8th grade
Cost per person: $12-$13,000
Average time between pay raises: NA
Average pay range of trainee: NA
Funding level of program: $1,607,485
Sources of funding: Title III
Duration of program: 6-8 months
Dates of operation: 9/78-present
Type of training: classroom and OJT

I. Prime Sponsor Data

The program type was defined as county. The service area was the rural area surrounding Louisville, Mississippi (approximate population 7000). The labor market was reported as contracting with an unemployment rate of 12%. The minority population in the area is approximately 65% of the total population.

II. Program Identifiers

This program, which has been in operation for two years, does have an upgrade component. The private sector component is made up primarily of a single employer--Taylor Machine Works. There is no use of support services (no reason given).

III. Budget Data

This information was not available.

IV. Organizational Data and Background Information

Taylor Machine Works is a company with a nationwide market and employs between 500 and 1000 people. The firm was asked to participate in the program.

V. Primary Information (Why and How)

According to the director of training at Taylor, there was only one reason for their participation in this program: lack of skilled labor. (The "steps of implementation" were not reported.)

VI. Unique Features of Program

The PSIP information bulletin summed up the unique aspects of the STIP program in the following manner:

> Taylor Machine Works Inc. (TMW), a manufacturer of materials-handling equipment, initiated the Skill Training Improvement Program in order to meet its own critical need for qualified, skilled labor. TMW hired an outside consulting firm (Coordinated Systems & Training Corporation) to administer and develop this training program. TMW also contributed staff, planning time, heavy machinery, and qualified technical personnel to insure that the training was accurate and relevant to manufacturing needs. The program is targeted to the unemployed residents of a primarily rural area, struggling to make the transition from an agricultural and timber-production economy to a rapidly growing manufacturing and industrial economy.

VII. Major Program Goals and Objectives

According to the PSIP information bulletin:

> The Skill Improvement Training Program at Louisville, Mississippi, trains unemployed, rural residents of a seven-county area to become qualified machine builders and machine operators. It is expected that 150 people will be trained and that 85% of the graduate trainees will be hired by Taylor Machine Works with 15% being hired by other manufacturing firms in the area.

VIII. Program Description

The PSIP information bulletin reports the following:

> The Louisville Skill Training Improvement Program (STIP), administered by Coordinated Systems & Training Corporation (CSTC), is comprised of four major components: diagnostics (1 week); classroom training (1/2 day for 19-22 weeks); laboratory experience (1/2 day for 19-22 weeks); and on-the-job training (8 weeks).

At the beginning of the program, trainees are given various diagnostic tests to determine reading and math skills, and job interests. The Test for Adult Basic Education (TABE) is administered to determine reading and math skills. The Preference/Experience Program, an audiovisual presentation of a variety of job experiences, is used with the trainees to determine job interest and to identify core skills.

The purpose of the second phase of the program, classroom training, is to provide a basic knowledge of technical language and skills needed for the laboratory and work experience, as well as to sharpen math and reading skills. Most learning materials selected for the classroom are audiovisual modules which the students complete at their own rate. The main classroom topics include: blueprint reading; basic principles of welding; hydraulics; electricity and the use of measuring tools. Trainees specifically deficient in reading and math skills are given additional help for these areas.

The laboratory experience is the heart of the training program and focuses on the acquisition of skills, knowledge, and experience for employment in the materials fabrication industry. The goal of the lab experience is to familiarize the trainee with all aspects of machine operation including: interpretation of blueprints and routing, selection and set-up of tooling, proper machine maintenance, quality control of the product, completion of the labor report, materials handling, safety and housekeeping procedures, and tool room operation. A 10-station welding area, and work stations for fifteen metal working machines are provided in the lab. Each trainee concentrates on welding, or two to three major machines depending on their interests and aptitudes.

After adequate training on the major machines, the trainees then begin actual production work under the supervision of Taylor Machine Works employees. The Taylor employees provide models for the trainees, share their technical expertise, and establish a working environment characterized by seriousness of purpose and emphasis on safe, efficient work habits.

After successful completion of the classroom and laboratory experience, the trainees are eligible for on-the-job training in the Taylor factory, working under the normal pressure of production lines and schedules. The Taylor staff notifies the program of upcoming job openings, trainees and jobs are matched, and the trainee is placed as a Taylor employee. Trainees who are not employed by Taylor Machine Works are placed in other manufacturing firms in the area.

IX. Negative Aspects of Program

The PSIP information bulletin states:

Coordinated Systems & Training Corp. (CSTC) staff identified the following problems which they felt would be encountered by any organization implementing a similar program, and offered the following suggestions:

Timing: The staff emphasized the importance of adequate time for proper and efficient planning for such a program.

Recruitment: Effective recruitment is essential to the success of the program. Participants must have sufficient interest in the vocational area of the program, must be open to learning, and must be willing to extend themselves in order to succeed. Economic need alone does not provide sufficient motivation for success.

Basic Skills: CSTC found that 50% of the trainees had major reading and math deficiencies, although many trainees were high school graduates. Time and materials must be expended within the program to correct such deficiencies, or an agency must be identified to refer trainees for basic skills acquisition.

Coping Skills: The trainees seemed to be deficient in basic coping and life skills. CSTC staff recommends dealing with this problem with weekly sessions on personal and job values necessary for successful employment.

Attrition: Recurring problems among the trainees were absenteeism, tardiness and dropouts. CSTC recommends that policy regarding all regulations, however trivial, must be clearly stated and consistently enforced in order for trainees to meet behavioral expectations.

X. Positive Aspects of Program

According to the director of training at TMW, there are three areas in which the program has been beneficial: (1) it has supplied TMW with a qualified workforce, (2) the retention rate of trainees was lower than normally experienced, and (3) this program has the potential to be easily and successfully adopted in any other location or industry.

XI. Model Implementation Hints

According to the PSIP information bulletin, the "model implementation hints" supplied by the program were numerous:

> Taylor Machine Works has provided the major impetus for the existence of the program. They hired the consulting firm to administer, develop and implement the training program. Taylor also contributed the heavy machinery for the labor experience. Funding for the program was obtained through Title III of the Comprehensive Employment and Training Act (CETA).
>
> The training facility is housed in a building leased from the city of Louisville by Taylor Machine Works. The building had been intended for the maintenance and repair of city vehicles and other equipment, so it was ideal in providing a large manufacturing area for the actual training. The Louisville Employment Security Office tests and certifies the program applicants, as well as assists in placing the graduates.

The key element for the success of this program is the involvement of the Taylor Machine Works Inc. in every phase of the program. The firm has contributed planning and implementation staff as well as the heavy machinery used in the laboratory experience. Most important is Taylor's contribution of supervisors and experienced machine workers to make the laboratory experience a real-life working environment.

XII. Sources of Information

1) Employment and Training Institute Questionnaire.
2) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC: May 1980.
3) Telephone conversations with the director of training at Taylor Machine Works.

8. Operative Program

Pending submission of Employment and Training Institute Questionnaire, information obtained solely from the PSIP information bulletin.

PROGRAM TITLE Moog, Inc. Metalworking Trades Training Program
TYPE OF PROGRAM: Metalworking Trades Training
NAME OF OPERATING COMPANY/ORG.: Moog, Inc.; City of Buffalo Comprehensive Employment and Training Administration; Erie County Consortium
CONTACT PERSON: Name: Mr. Vernon J. Parks
Corporate Training Coordinator
Address: Moog, Inc.
Proner Airport
East Aurora, NY 14052
Phone: (716) 652-2000
STATUS: Ongoing

Number of people trained/enrolled: 106
Retention rate: 98%
Percent upgraded: NA
Average age: NA
Average educational level: NA
Cost per person: $3500
Average time between pay raises: NA
Average pay of trainee: min. $4.50/hour
Funding level of program: $1,055,000
Sources of funding: CETA Title III (STIP)
Duration of program: 26 weeks
Dates of operation: 1/77-10/80
Type of training: classroom and OJT

I. Prime Sponsor Data: NA

II. Program Identifiers: NA

III. Budget Data: NA

IV. Organizational Data and Background Information: NA

V. Primary Information (Why and How): NA

VI. Unique Features of Program

The Moog Metalworking Trades Training Program was developed to complement an economic development package which was offered to Moog to maintain its facility in New York State, rather than relocate elsewhere. This innovative package of State and Federal programs resulted in the leveraging of between 20 and 30 million dollars in private investment, the retention of a local industry, and the creation of 7[illegible], new employment opportunities realized through the Company's expansion program.

Another innovative feature of this training program is the use of a performance contract for the training reimbursement. The CETA Prime Sponsors reimburse Moog for tuition costs after each student has successfully completed the training; has been placed in training-related employment; is receiving no less than $4.50 per hour; and has remained on the job for over 60 days.

VII. Major Program Goals and Objectives

The major goal of the program is to provide skills training in metalworking trades which will result in jobs for the unemployed and will provide trained workers to meet local industrial needs. Participants who complete training are placed in training related jobs at no less than $4.50 per hour.

VIII. Program Description

Link to Economic Development. In June of 1977, Moog announced its intention to relocate its Control Group outside of New York State. This proposed relocation would have meant the loss of almost 1500 manufacturing jobs in Erie County. In order to attempt to reverse this planned relocation and resultant loss of jobs, the New York State Department of Commerce prepared a proposal for the company outlining a variety of economic incentives available if Moog would remain and expand its facilities in New York State.

Major state interest in the project was developed through the state's Urban Development Corporation (UDC), an agency empowered to acquire, construct, renovate, and manage projects, and to sell or lease projects to private developers. The state's agreement with Moog calls for the following provisions:

- Moog will transfer the long-term leasehold interest in the project site to a UDC subsidiary.

- The UDC will lease the site back to the company for a period of up to thirty years.

- Upon completion of the first phase of construction, the UDC will provide permanent take-out financing of development costs of approximately $3 million by paying that amount of Moog and the purchase price for the site and the new improvements.

The UDC investment will be guaranteed in a large part by the Farmer's Home Administration, an agency of the federal government charged with the responsibility of developing rural areas. In addition, the company is eligible to receive all benefits and grants available through the state's Job Development Authority.

Vestibule Training Program. When Moog decided to expand its facilities, it was apparent that many more entry level workers were needed to fill the new positions. Once the decision was made to fund the training, Moog decided to set up a separate vestibule training facility to train previously unskilled or inexperienced persons for entry level positions. With the assistance of the CETA STIP funds, the Moog Technical Training Center was established.

The program curriculum was completely designed by the Moog Training Department. It includes an intensive 1040 hours of theoretical and applied training in metalworking skills. Program activity is distributed among classroom, workshop, and shadowing for 40 hours per week for 26 weeks. The environment at the Center closely resembles the work environment of the metalworking industry.

There are five distinct phases of the training program: careful selection of candidates, intensive training, practical experience, career guidance, and placement.

- Selection. All applicants are certified CETA eligible by the New York State Job Service and either the County or City CETA Administration. The CETA offices administer the Adult Basic Learning Examination II (ABLE) to determine the education level of potential applicants. Students must score within the ninth grade range to be referred to Moog. Applicants are then interviewed for attitude, motivation and interest in the program by a panel of representatives from Moog's personnel, training and production departments.

- Theory/Shopwork. The Technical Training Center instruction combines shop theory with actual machine operation. Three hundred hours of basic and advanced blueprint reading and shop mechanics are offset by seven hundred hours of lathe, mill, grinder and drill press operations. Students are also provided instruction in the operation of the NC Vertical Mill, honing and electrical discharge machines (EDM), soldering, and numerical control milling machines.

- Job Shadowing. After a student has shown sufficient competence in the use of the various tools, he/she is sent to the actual production line to "job shadow." The trainee stands beside and watches a specific job being performed, and is trained by the Moog employee. After some time, the trainee works with the operator in doing set-ups and some operation. A student is exposed to three or four different positions during the job shadowing phase of the training. This component also allows the line supervisors to become acquainted with the trainees and the quality of the training program.

- Career Guidance. The Moog Technical Training Center is concerned not only with the employee's job skills, but also with the employee's attitude and ability to stay on the job. The Moog training includes vocational counseling, individual assistance, and instruction in interviewing, writing resumes, and completing job applications.

The instructors periodically evaluate the student's progress and keep records of each student's abilities and performance. Whenever a student experiences some problem in the classroom, or shop work, special tutors are assigned from the company's apprenticeship program. The company also looks into other potential problem areas which would hinder attendance or full participation, such as student's child care and transportation.

To assist several students in the program who are deaf, Moog has hired special interpreters.

- Placement. The Moog Technical Training Center has already established a good reputation among the other employers in the area. Employers meet with the Moog Training Director, describe their employment needs, and discuss the specific manufacturing tolerances that they use. The Moog instructors then review the trainees, and decide which trainee would best work with which companies.

Once a trainee has been identified to work for a certain company, he/she is interviewed by that firm. If the trainee is accepted, the company is asked to send sample blueprints and operations sheets to the Training Center. The participant is trained in the specific work requirements of that prospective employer.

In addition, the Moog Training Center prepares all of the paperwork for the Targeted Jobs Tax Credit (TJTC), should an employer wish to take advantage of this tax credit for hiring a disadvantaged person.

IX. Negative Aspects of Program

The only major problem with this program was convincing Moog to participate in the CETA training. Moog showed initial resistance to becoming involved in broad-based, entry-level training. The CETA representatives from both Erie County and the City of Buffalo had been suggesting a STIP for the Moog expansion. The final decision to go with the program came from a chance meeting of a Moog official with another private industry person at a local hockey game. This person mentioned his firm's involvement in CETA's on-the-job training. He indicated that the paperwork and red tape were minimal; and that he was satisfied with the results of the training.

Another problem that arose after the training began was transportation. Trainees were required to be at the training site at 7:00 a.m., but the bus scheduled into the area brought the trainees in ten to fifteen minutes late. The CETA people negotiated with the local bus company and the Training Center. The bus timetable and the training start time were both adjusted so that the trainees could arrive on time. Trainees from the city CETA program were given transportation allowances and formed their own car pools.

X. Positive Aspects of Program: NA

XI. Model Implementation Hints

One key element to the success of this program is the Moog Corporation's attitude toward their employees and toward training in general. Employees are treated as competent, reliable people well able to perform their jobs. There are no time clocks at Moog; there is no union. Moog's turnover rate is only 2% per year.

Moog encourages the professional development of every employee. The company has always had an in-house training system. The Technical Training Center represents Moog's first involvement with entry-level training.

Moog carefully screens prospective Tech Center applicants for attitude and motivation. Trainees need not have any metalworking background, are allowed to progress at their own rates, and are provided with a variety of supportive services to assist them in completing the training.

Another key element to the success of the program is that training is not merely "entry level." Moog wants to challenge potential employees; provide them with more than enough knowledge to gain employment, but encourage them to continue upgrading their skills.

XII. Sources of Information

1) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC.

9. Operative Program

PROGRAM TITLE:	Screw Machine Set-up and Operator Upgrade Program	
TYPE OF PROGRAM:	Upgrading--machine set-up and operator	
NAME OF OPERATING COMPANY/ORG.:	Utica Screw Products, Inc. Oneida County Private Industry Council Mohwak Valley Community College	
CONTACT PERSONS:	Name:	Mr. Armand Mastraccio Oneida County PIC
	Address:	209 Elizabeth Street Utica, New York 13501
	Phone:	(315) 733-4639

Name: Mr. Dick Manwaring
Utica Screw Upgrade Production Supervisor
Address: 1310 Lansing St.
Utica, New York 13501
Phone: (315) 733-6455
STATUS: Ongoing

Number of people trained/enrolled: 8
Retention rate: 75-99%
Percent upgraded: 100%
Average age: 25-30
Average educational level: 11th-12th grade
Cost per person: NA
Average time between pay raises: 6 months
Average pay range of trainees: $4.00-$5.50/hour
Funding level of program: $69,921
Sources of funding: Title VII, II-C
Duration of program: approximately 1 year
Dates of operation: 1/21/80-12/1/80
Tyep of training: classroom and OJT

I. Prime Sponsor Data

The program type was a county serving the urban and rural Utica/Rome, New York areas (approximate population 276,000). The labor market was reported as contracting with an unemployment rate of 8.4%. The minority population in the Utica/Rome area is 4% of the total population according to the 1970 census.

II. Program Identifiers

The program does have an upgrade component. The private sector participant is Utica Screw. One oversight committee exists with less than 5 members. In addition, support services are offered.

III. Budget Data

The following is the budget information that was reported:

For upgrading:	Administration	
	Allowance	$16,800
	Wages	40,040
	Training	13,081
	Total	$69,921

In addition, the percentage of total grant for upgrading was 6.5%.

IV. Organizational Data and Background Information

Utica Screw serves a local market and employs less than 50 persons. The firm was made aware of PSIP through the local PIC which asked it to participate in the program.

V. Primary Information (Why and How)

The firm chose to participate in the program for two reasons: (1) labor shortage ("needed skilled operators"), and (2) financial inducement of subsidy.

There were three factors in the firm's decision to choose this particular method to meet its personnel needs: (1) ability to design program, (2) minimal paperwork/government interference, and (3) felt that they would "be able to provide top grade training and still be able to keep production levels."

Three steps of implementation were cited: (1) contact with PIC, (2) discussions with PIC, employer and local community college, and (3) implementation of program by employer.

VI. Unique Features of Program

Utica Screw's 46 week screw machine set-up and operator upgrade program did not guarantee jobs. Once training is completed, barring any unforeseen circumstances, the successful trainees will be hired. After 8 months of the program, it has been labeled a "very definite asset" by the production manager and "a smashing success" by the executive director of the local PIC. The program enabled the company to expand its operation in an economically depressed region of the country.

VII. Major Program Goals and Objectives

The information bulletin put out by the PSIP Clearinghouse states:

> The Screw Machine Set-up and Operator Upgrade Program is designed to increase the number of skilled screw machine operators at Utica Screw Products, Inc. in order to enhance production activity. Another objective of the program is to employ economically disadvantaged citizens in entry level positions vacated by participants in the upgrade program.

VIII. Program Description

Utica Screw is a locally-run screw manufacturing company. It operates a 46 week program to teach CETA eligibles how to set up, operate, and repair screw machines. The following outline of the training arrangement was taken from a program information bulletin published by the PSIP Clearinghouse in May 1980:

> The Utica Screw Machine Set-up and Operator Upgrade Program incorporates classroom and on-the-job training in a two-phase, 46 week training curriculum. Employees who are currently working as screw machine operators receive classroom instruction at Mohawk Valley Community College and on-the-job training at Utica to upgrade their operating, set-up and repair skills. As a result of the upgrading program, operators will command a higher salary for their expertise, production will be measurably increased, and jobs will be made available for the economically disadvantaged citizens of Oneida County.

A need for more highly skilled machine operators to increase screw production prompted the president of the Utica Screw Products to contact the Oneida County Private Industry Council. The firm's production supervisor and other top officials participated in the development of the training curriculum, which includes Utica Screw blueprints as training tools in the blueprint reading course.

Trainees who complete the program will receive 18 hours of undergraduate credit from Mohwak Valley Community College; and added time credit toward screw machine apprenticeship from the State's Apprenticeship Bureau.

The upgrading involves a promotion of one or two skill levels beginning at the basic operator level, or C classification, and working up to the A operator level. As a C operator, trainees are required to operate two machines with assistance and to do machine set-up. At the intermediary, or B level, the duties are essentially the same as the C level, except that there is less supervision. At the A level, which is the goal level of the program, operators are required to set-up and operate up to three machines as circumstances dictate, and to assist in training other operators. Although operators do report to a lead man, they receive the least amount of supervision of the three groups.

The first phase of the program includes 20 weeks of classroom training at the community college. Students study blueprint reading, mathematics and measurement, quality control and trade science. During the day, they work their regular job as machine operators at Utica Screw Products.

During the same 20 week period, students receive 4 hours of in-plant training per week. Under the Utica Screw Products supervisor, trainees study practical applications of classroom theory and are instructed in the properties of metals.

Phase two of the program lasts for 26 weeks. Having acquired the rudimentary skills needed to operate a screw machine, the trainees are ready to begin on-the-job training. Students actually work on the machine, and learn the responsibility of operation, under supervision. Upon successful completion of this phase of the program, the trainee will rejoin the work force as a more skilled screw machine operator and screw production is expected to increase.

During phase one, trainees earn their regular salary of approximately $4.50 per hour. They are paid overtime at $7.50 per hour for the eight additional hours per week of classroom and in-plant training.

As trainees progress from one grade to another, their salary naturally increases. C operators make approximately $4 to $4.50 an hour; B operators make $4.50 to $5.25 and A operators make $5.25 to $6.50. The production supervisor projects that 6 of the program participants will attain the B level and 2 people will reach the A grade upon completion of the program.

Through the efforts of the Private Industry Council and Utica Screw Products, Davenport Industries which produces Utica's screw machines will host trainees for a 3-day session during the second phase of the program. At Davenport trainees will learn how a screw machine is constructed, maintained, and rebuilt. This experience will enable them to anticipate possible breakdown problems.

Motivation levels are high as they begin Phase II of the program. (Note: Assessment of participants' progress is made by (1) the first line supervisor, and (2) a special team set up specifically for that purpose. They are assessed periodically by the vocational instructor through testing and work records.)

IX. Negative Aspects of Program

Dropout rate is higher than normal. According to the production supervisor, this may be due to "newness of the approach in our type of business. People hired at the start of the program are much more eager to learn and have better attitudes toward working."

X. Positive Aspects of Program

Four positive outcomes (of this program) have been cited by the PIC executive director and the production supervisor. They are: (1) attainment of needed skilled operators, (2) increase in productivity and quality of products, (3) the higher skill level, overall, of operators, and (4) opportunity to expand program.

XI. Model Implementation Hints

There were three elements that were felt significantly enhanced the program's chances for success. They were: (1) ability to design own program, (2) commitment from both public and private sectors, (3) minimal amount of paperwork/bureaucratic interference.

XII. Sources of Information

1) Employment and Training Institute Questionnaire.

2) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC, May 1980.

3) Telephone conversations with production supervisor and executive director of local PIC.

10. Professional and Technical Program

PROGRAM TITLE: Electronics Upgrade Program
TYPE OF PROGRAM: Upgrading--electronic technician
NAME OF OPERATING COMPANY/ORG.: Broward County Emploiment and Training Industry Council (BIC) in cooperation with six local electronics companies and three vocational training institutions
CONTACT PERSONS: Name: Mr. Lawrence Babitt
Acting PSIP Coordinator

Address: BETA
2880 Oakland Park Blvd.
Fort Lauderdale, FL 33311
Phone: (305) 735-7510
Name: Ralph Parilla
Personnel Director, Motorola
8000 W. Sunrise Blvd.
Plantation, FL 33322
Phone: (305) 475-5000

STATUS: Ongoing

Number of people trained/enrolled: 60
Retention rate: 98%
Percent upgraded: NA
Average age: NA
Average education level: between 11th-12th grade
Cost per person: $4,300
Average time between pay raises: 6 months
Average pay range of trainee: $228.40-$305.20/week
Funding level of program: $436,000
Sources of funding: Title IIC, IIB, private sector contributions
Duration of program: 37-44 weeks
Dates of operation: 11/79-9/80
Type of training: classroom

I. Prime Sponsor Data

The program type was a county prime sponsor servicing the metropolitan Fort Lauderdale area (approximate population 900,000). The labor market was reported as expanding. Its unemployment rate was reported at approximately 6%. The minority population in the greater Fort Lauderdale area is approximately 17%.

II. Program Identifiers

This program does have an upgrade component. The private sector component is made up of unions, private training institutions, the PIC, and the specific employer. Although there are support services for needy program participants, there are no oversight committees.

III. Budget Data

This program received its funding ($436,000) under Title IIb and IIC and from private sector contributions (a breakdown into administration, allowances, wages, fringes, training, and services was not available).

IV. Organizational Data and Background Information

Motorola and the other participating firms serve a national market and employ, on average, between 2500 and 5000 persons. The firms were made aware of PSIP through the local PIC which asked for their participation in the program.

V. Primary Information (Why and How)

The employers chose to participate in the program for four reasons: (1) shortage of trained electronic technicians, (2) social reaponsibility, (3) equal employment considerations, and (4) lack of qualified personnel was impeding the production scheduling capacity of the firms.

VI. Unique Features of the Program

According to a memorandum published by the Broward Employment and Training Administration (BETA), the program's funding arrangement deserves special note.

> The fiscal arrangements for this ambitious program are unique by CETA standards:
>
> ▪ Workers in training are paid their full salary, and fringe benefits are maintained by their companies. Six months, full time! CETA reimburses the employers at the rate of $3.10 per hour for each hour spent in training. The employers pay all the additional costs, which amount to something like $1.25 per hour per worker.
>
> ▪ CETA pays the tuition costs at the training institutions up to $3,321. In some instances the price is higher, and an employer electing that costlier training for his workers makes up the difference.
>
> ▪ Participating companies absorb all costs of their administration of the program including those of what has sometimes been an intricate process in selecting workers to be trained.

VII. Major Goals and Objectives

The PSIP bulletin summarizes the program's goals as follows:

> The program's purpose is to train 60 workers occupying entry level jobs within the electronics industry to become certified electronic technicians. These positions are in great demand in the industry and command high wages and opportunities for career advancement. The program's corollary goal is to hire disadvantaged people (on at least a one-for-one basis) to fill the positions that are being vacated in the upgrade program.

VIII. Program Description

A BETA memorandum reports:

> The program was conceived, designed, and recommended by a group of Broward Industry Council members representing electronics products manufacturing firms. A keystone in the development of this program was the judgment of these employer representatives that there was a serious local labor market shortage of persons qualified for the occupation of Electronic Technician--and that this shortage was forecast to continue

indefinitely unless actions were taken to remedy, or at least alleviate, the situation.

The following outline of the BETA Electronics Upgrade Program's training arrangement was taken from a program information bulletin published by the PSIP Clearinghouse in May 1980:

> Broward County's Electronics Upgrade Program is a cooperative venture between the County Private Industry Council and six local electronics firms: Motorola, Burroughs, Bendix, Novatronix, ACR, and Harris. The program is funded through Title II-C of the Comprehensive Employment and Training Act (CETA) and by contributions from the private companies involved. Sixty persons, currently employed in low-level jobs with no promotional ladders, are upgrading their electronics skills in order to qualify for jobs as electronic technicians within their respective companies.
>
> Electronics is Broward County's fastest growing business, despite the present recession. The industry's growth, however, is hampered by a shortage of trained electronics technicians, without whom companies cannot increase production. The electronics upgrade program will help solve the problem by training 60 new technicians. It is expected that by freeing companies to increase production, the program will result in more than just one-for-one, "backfill," employment.
>
> To qualify for this program, upgrade candidates must be employed in a low paying job with no promise of promotions. Seniority is a selection factor. Originally, program specifications called for at least six months employment with one of the participating companies. But there were so many interested applicants that the requirement in some companies was increased to at least 4 years of previous experience.
>
> Three local vocational institutions offer the upgrade courses. Trainees generally complete their program in 10 months. Courses at the three schools vary in content, length and cost, providing employees with a choice depending on candidates' particular needs. Title II-C funds covered tuition costs, which were $800, $1,000, and $4,000, depending on the program. When tuition exceeded the CETA maximum of $3,321 per person, the employer paid the tuition balance.
>
> The curriculum at each of the three institutions varies, but all stress these basic concepts: direct current circuits, alternating current circuits, circuit analysis, vacuum tube and semi-conductor fundamentals, basic electronic circuits and systems, advanced electronic circuit technology, digital computer fundamentals, and organization and control of digital systems.
>
> The following is a brief listing of the educational institutions involved, course length, and number of students per class:
> School Board of Broward County - 37 weeks - 20 students.
> Broward County Community College - 40 weeks - 19 students.
> United Electronics Institute - 44 weeks - 21 students.

Each electronics firm designated a six-member committee of company representatives, including women and minorities, to make final trainee selections.

Companies were granted program training slots in direct proportion to the number of electronic technicians the company employed. For example, if a company employed half the County's electronic technicians, the company was entitled to half of the program training slots.

Most of the 60 participants are women, which is in direct proportion to the number of female applicants. One person dropped out early in the program and was immediately replaced. Since that time, there have been no other dropouts.

Each student has a counselor with whom he/she meets weekly to discuss goals and problems. Counselors visit training sites once a week. The counselor is also responsible for checking time sheets, and making sure that participants are paid on a regular basis.

Students are paid their regular salary while attending training. BETA pays $3.10 per hour and the employer pays the difference, along with fringe benefits. Student time cards are sent monthly to the electronics company, which in turn bills BETA. BETA is also responsible for invoicing payments, organizing performance statistics, and monitoring compliance with contractual regulations.

The first class is scheduled for completion in August, and employers will place the graduates in electronic technician positions. Companies have agreed not to "steal" each others' employees upon completion of the program.

Preliminary program reports indicate success based on the low dropout rate and the trainees' improved morale. Some of the positions vacated by the upgrade students have already been filled with CETA referrals.

(Note: Assessment of participants was made by the first line supervisor. They are assessed periodically through various means of testing.)

IX. Negative Aspects of Program

No negative aspects were reported.

X. Positive Aspects of Program

Two positive outcomes of the program have been cited by the personnel director at Motorola. They are (1) qualified technicians have been supplied, and (2) employee relations have improved.

XI. Model Implementation Hints

Industry commitment to the program was the only element that was reported that significantly enhances the program's chances for success.

XII. Sources of Information

1) Employment and Training Institute Questionnaire

2) PSIP Program Information Bulletin, PSIP Clearinghouse, NAB, Washington, DC, May 1980.

3) Broward Employment and Training Administration, Memorandum #348-80PSD, August 11, 1980.

4) Telephone conversations with the acting PSIP coordinator and the personnel director at Motorola.

CHAPTER V

RECOMMENDATIONS FOR PRIVATE SECTOR INVOLVEMENT IN WISCONSIN

In this chapter the characteristics of ten exemplary programs are reviewed. The conclusions reported have been derived from the case studies and from conversations with employers, employment and training administrators, and especially with PIC members. The emphasis of this section is on the types of approaches that encourage private sector involvement in the manpower development area. The findings are divided into three sections: (A) Summary of "Success" Factors, (B) Implications for Employment and Training Personnel, and (C) Suggestions for Increased Private Sector Involvement.

A. Summary of "Success" Factors

The important elements of success can be divided between the two participants in a typical employment and training program: (1) public sector, and (2) private sector.

Public Sector. In analyzing the results of our ten case studies, 14 factors were noted in determining the public sector's success in encouraging private sector participation in the employment and training efforts. They were:

1. Understand the needs of the trainee and employer.
2. Tailor program and curriculum to employers' needs.
3. Secure direct input from employers in selection and hiring.
4. Develop program with direct input from participating employer(s).
5. Keep programs flexible to meet the changing needs of the parties.
6. Obtain adequate financing for contingencies such as cost overruns.
7. Emphasize "professionalism" when dealing with prospective employers.
8. Foster good relations with unions--gain their support and cooperation.
9. Be aware of, and abide by, union contracts and rules.
10. Minimize paperwork for participating parties.
11. Utilize local PICs and other employer consortiums (Chamber of Commerce, NAB, etc.).
12. Allow some employer control in program administration.
13. Stress cooperative nature of public/private relationship.
14. Establish goal of mutual satisfaction.

According to the case studies, the private sector component can increase its likelihood of successful implementation of employment and training programs by the following:

1. Make a hire or "hire first" commitment to trainees.
2. Train participants in jobs with "upgrade" components.
3. Apply organizational policies consistently (don't show favoritism for trainees or regular employees).
4. Emphasize punctuality/performance/production.
5. Actively recruit support from all levels of the enterprise.
6. Overcome negative bias toward government sponsored programs.
7. Effectively communicate concerns to public agencies (i.e., prime sponsor).
8. Plan for potential problems (e.g., alternate instructor, additional equipment, etc.).

B. Implications for Employment and Training Personnel

There are, of course, numerous ways employment and training personnel can generate private sector involvement in their programs. The list that follows is by no means exhaustive but it does shed some light as to the direction that should be taken.

First, there should be a greater coordination and marketing of employment and training programs with the private sector. The results from the questionnaire responses and telephone conversations indicated a general lack of knowledge among private employers concerning "what's out there."

Second, the public sector should be made more aware of private sector concerns. This involves streamlining requirements, eliminating unnecessary paperwork, and diminishing bureaucratic interference. Employers want more autonomy in the delivery of employment and training programs.

Third, extensive use should be made of PICs and other intermediate bodies that interface between the public and private sectors. These are helpful because they (1) provide information, (2) lower cost of participating for employers (becoming aware of government subsidy and identifying appropriate workers), (3) present business views, and (4) market programs. This means that such organizations should not be used solely as advisory bodies but rather their views and help should be solicited in the entire spectrum of activities in which employment and training personnel are involved. By having them take on additional responsibilities, such as formulating and implementing CETA sponsored private sector programs, their cooperation and interest will be heightened.

Fourth, employment and training personnel should make themselves aware of the key elements to success and failure in other programs. Much can be gained from the review of these factors. This is one of the main objectives of this report. It is hoped that this report will prove informative to those in the public and private sectors in delineating those variables that are predictive of private industry success in the manpower development area.

estions for Increased Private Sector Involvement

local employment and training programs are to succeed in attracting
their strategies need to be adapted to the local community.
such approaches will be
ording to a number of Conference Board reports,[1] community, em-
dependent on local characteristics (demographic make-up of
loyer(s), labor market, etc.). Hence, prime sponsors enjoying active support
d cooperation of the local PIC will have different approaches and strategies
r attracting employers than those who do not enjoy this support.

Not all companies are targets for manpower development programs
ponsored by public funding. Among those that are, the degree to which they
constitute prospective targets can differ substantially from industry to
stry. Thus, as in identifying occupations suitable for training, the
al employer consortium (PIC, Chamber of Commerce, NAB, etc.) can provide

useful information concerning those local firms that are good targets for employment and training programs. In addition, the public component in the employment and training "equation" could further attempt to identify the firms that are likely candidates for CETA funding and then actively "market" the idea to them.

In growth areas, local employment and training programs can share in economic development activities. The availablility of their training can be used to assure firms moving into the area that a workforce will be available for them when production begins. In areas with little or no growth, the opportunities are more limited. The potential use of CETA funds to finance the training of specialized personnel may, however, encourage firms to stay in the area (it has been reported that specialized personnel, such as keypunch operators, are in short supply in areas where the overall unemployment rate is high[2]).

As is evidenced by our case studies, companies that are headquartered in the prime sponsor's area frequently make good prospects for involvement in employment development programs. This may be attributed to the fact that the corporate decision makers, and in particular the personnel directors, live in the community. Thus, they are often more likely to be responsive to local needs and problems. By contrast, firms with headquarters outside the area may not delegate sufficient authority to its local company executives to enable them to make a commitment to participate in employment and training programs. Prime sponsors report that, although possible, obtaining the relevant authorizations from corporate offices located elsewhere may involve the passage of long periods of time and therefore hinder delivery to potential CETA eligible participants.

Attracting the business community to employment and training programs often involves special efforts to tailor training programs to suit the needs of local employers as witnessed by our case studies. Through this strategy, all parties benefit. The employers benefit because the training is directly related to their production requirements. The trainees benefit from the prospect of employment following realistic training that involves advanced technology presently being used in the private sector. The case studies show that efforts to deal constructively with the frequently expressed opinion of employers—that the classroom training provided by CETA is inadequate--is a key element in the successful involvement of the private sector. Prime sponsors must design training programs that are relevant to employers' needs.

All prime sponsors face common problems in seeking to increase the employability of their economically disadvantaged. Adapting their strategies to the local environment is the key. "The prime sponsors that make a systematic effort to identify the occupations and companies offering good targets for their programs, and that are ready to adapt their programs to employers' needs, are taking steps likely to yield a return in greater employer involvement in their programs."[3]

Notes

[1] Lund, Leonard, Business Involvement with Local Government, The Conference Board, Information Bulletin No. 30, 1977; and Community Economic Development Program: The Private Sector View in Nine Cities, The Conference Board, Information Bulletin No. 26, 1977.

[2] Lecht, Leonard A., Involving Private Employers in Local CETA Programs, The Conference Board, Information Bulletin No. 63, 1979.

[3] Ibid., pp. 17-18.

CHAPTER VI

E.T.I. QUESTIONNAIRE

Name of Organization:____

Address: ____

____

____

Phone:____

Name of Interviewee:____

Interviewee Position:____

Return to:

Mark Keppler
Research Assistant
1180 Observatory Drive
Dept. of Economics
University of Wisconsin
Madison, WI 53706

I. PRIME SPONSOR DATA

1. Prime Sponsor Name ______________________________

2. Program Type:
____ a) City
____ b) County
____ c) Consortium
____ d) BOS

3. Region (1-10): ____

4. Service Area:
____ a) Urban
____ b) Metro
____ c) Rural
____ d) Other (specify): ____________

5. Labor Market:
____ a) Expanding
____ b) Contracting
____ c) Stable

6. Unemployment Rate: __________ (year/source) ____________

7. Percent Minority: __________ (year/source) ____________

8. Population: ____________ (year/source) ____________

II PROGRAM IDENTIFIERS

1. Size of Grant:
____ a) ≤ $250k
____ b) $250,001-500,000
____ c) $500,001-1,200,000
____ d) > $1.2M

2. Number of Program Participants:
____ a) <50
____ b) 51-100
____ c) 101-200
____ d) 201-300
____ e) 301-500
____ f) >500

3. Does Program have an upgrade component? Yes ____ No ____

4. Completion date of program: ____________

5. Months of scheduled program operation: ____________

6. Which groups comprise the private sector component? (Yes/No)

Unions ________
Area employers (specific) ________
Area employers (general) ________
Private Training Institutions ________
Business Associations ________

7. Have sites secured hire commitments from area employers for participants in :

________ a) all occupations
________ b) some occupations
________ c) none

8. How many oversight committees exist?

______ a) 0
______ b) 1
______ c) 2
______ d) 3
______ e) 4
______ f) 5
______ g) more than 5

9. Size of oversight committee:

______ a) <5
______ b) 6-10
______ c) 11-15
______ d) >15

10. Were support services offered? Yes________ No________

III. BUDGET DATA

1. For Basic Training:

Admin ______________
Allowances ______________
Wages ______________
Fringe ______________
Training ______________
Services ______________

2. For Upgrading:

Admin ______________
Allowances ______________
Wages ______________
Fringe ______________
Training ______________
Services ______________

3. Total amount for upgrading: $______________

4. Percent of Total grant for upgrading: %______________

5. What are your sources of funding?

Comment:

IV. Organizational Data and Background Information

1. Are your familiar with any of these programs?

   a) TJTC
   b) WIN
   c) STIP
   d) CETA - Title VII (OJT)

2. How did you find out about these programs?

   a) WIN Rep
   b) Job Service Rep
   c) Bus. Assoc. (ex: NAB, C of C...)
   d) Labor Org. (ex: Building Trades Council)
   e) Gov't Lit.
   f) PIC
   g) Job Applicant
   h) Other
   i) Don't Know

3a. Was your company asked to participate in such a program?

   a) yes
   b) no
   c) don't know

3b. Which program?

   a) TJTC
   b) WIN
   c) STIP
   d) CETA - Title VII (OJT)

4. Would you call your company?

   a) local
   b) regional
   c) national
   d) don't know

5. What is the approximate size of your company?

   a) greater than 5,000 employees
   b) 2,500 to 5,000 employees
   c) 1,000 to 2,500 employees
   d) 500 to 1,000 employees
   e) 250 to 500 employees
   f) 100 to 250 employees
   g) 50 to 100 employees
   h) less than fifty employees
   i) don't know

V. Primary Information

1. Why did the company participate in the program ?

   a) labor shortage
   b) financial inducement
   c) community/social responsibility
   d) equal employment considerations
   e) other: ____________________

2. Were there any timely factors involved in this decision ?

   Comment:

3. Why did your firm choose this particular method to meet its personnel needs?

   Comment:

4. How was the program initiated ? (steps of implimentation)

   Comment:

5. What were the factors which generated or inhibited your firms participation ?

   Comment:

VI. Participant Characteristics

1. Were the following program targets? (Yes/No)

Women ________
AFDC Clients ________
Minorities ________
Veterans ________
Youth ________

Ex-offenders ________
WIN Clients ________
Inter-Title Transfers ________
Work-Release Offenders ________
Older workers ________

2. What is the average age of participants?

    a) 16-18
    b) 18-21
    c) 21-25
    d) 25-30
    e) 30-40
    f) over 40
    g) don't know

3. What is the average level of education of program participants?

    a) less than 8th grade
    b) between 9th and 10th grade
    c) between 11th and 12th grade
    d) over 12th grade
    e) don't know

4. What do you estimate is the average length of employment of participants in the program?

    a) over 1 year
    b) between 8-12 months
    c) between 4-8 months
    d) less than 4 months
    e) don't know

5. What do you feel is the main reason some participants are unsuccessful (i.e. are not retained by the company?)

    a) can't master the skill
    b) have bad work habits (uncooperative, late, etc.)
    c) gov't subsidy run out
    d) other
    e) don't know

6. What was the experience on retention/dropout of trainees (higher or lower than normal)?

    Comment:

7. What do you estimate is the average length of employment of program participants in the company?

    a) over 1 year
    b) between 8-12 months
    c) between 4-8 months
    d) less than 4 months
    e) don't know

8. To what extent did the firm hire participants at the outset or during the training periods as against placement after completion of the full training period?

Comment:

9. What was the experience of placement of trainees?

Comment:

10. What is the approximate percentage of participants retained by your company after 1 year? (positive terminations)

a) 100%
b) between 75-99%
c) between 50-74%
d) between 25-49%
e) less 24%
f) don't know

11. How long are participants in the program?

a) greater than 1 year
b) 10 months to 12 months
c) 8 months to 10 months
d) 6 months to 8 months
e) 4 months to 6 months
f) 2 months to 4 months
g) 0 months to 2 months
h) don't know

VII. TRAINING ARRANGEMENT AND DESIGN

1. Type of training used for basic training:
_____ a) classroom
_____ b) OJT
_____ c) both

2. Type of training used for upgrading:
_____ a) classroom
_____ b) OJT
_____ c) both
_____ d) N/A

3. Ratio of classroom to OJT for: Basic training ________

Upgrading ________

Location of Classroom Training Site:

____at work place
____off-site training
____N/A

4. Who does the training?

____first line supervisor
____fellow workers
____personnel department
____special "team" set up specifically for task
____other
____don't know

5. Who assess's participants?

____first line supervisor
____fellow workers
____personnel department
____special "team" set up specifically for task
____other
____don't know

6. How are the participants assessed?

Comment:

7. How long has program lasted? ________

8. Who is involved in participant intake? ____________________

9. Who is involved in participant training? ____________________

10. Who is involved in program administration? ____________________

11. Was employer involved in:

a) identifying occupations Yes ______ No ______
b) identifying training sources Yes ______ No ______
c) curriculum development Yes ______ No ______
d) curriculum review Yes ______ No ______
e) client recruitment Yes ______ No ______
f) client certification Yes ______ No ______
g) client assessment Yes ______ No ______
h) public relations Yes ______ No ______
i) classroom training Yes ______ No ______
j) OJT Yes ______ No ______
k) provide instruction Yes ______ No ______
l) provide equipment Yes ______ No ______
m) provide training space Yes ______ No ______
n) testing Yes ______ No ______
o) support services Yes ______ No ______
p) counseling Yes ______ No ______
q) job development Yes ______ No ______
r) placement Yes ______ No ______
s) hire first commitment Yes ______ No ______
t) hire if possible Yes ______ No ______
u) monitoring Yes ______ No ______
v) evaluation Yes ______ No ______
w) administration Yes ______ No ______

12. On what basis were occupations selected and their length of training determined?

Comment:

13. What types of occupations were selected for training?

a) professional and technical
b) managers and proprietors
c) sales
d) clerical
e) craft related
f) operatives
g) laborers
h) services
i) farm occupations
j) unclassified

14. How would you define the skill learned?

    a) general
    b) specific to industry
    c) specific to company
    d) don't know

15 What were the procedures and empphases for selection of persons to be trained?

Comment:

16 What problems/issues in recruitment and selection arose and how were they handled?

Comment:

17 What are the approximate average training cost to your company (after government grant) of training each participant?

Comment:

18 Is average training cost of participant

    a) lower
    b) higher
    c) same
    d) don't know

than regular employee (after government grant)?

19 What is the average pay range of training positions?

Comment:

20. What is the average time between pay raises?

Comment:

21. Approximately what percentage of all employees are upgraded?

Comments:

23. What percentage of the participants are upgraded?

Comment:

24. What plans were made by your company for the continuation, revision or expansion of further high-skill long term training for the economically disadvantaged (CETA eligible)?

Comment:

25. What are the positive aspects of the program?

Comment:

26. What are the negative aspects of the program?

Comments:

27. What is your prognosis of the program?

Comment:

28. How can the program be improved?

Comment:

would you say
29. What/are the key steps in the development of the project?

Comment: